

GS HOLDINGS LIMITED
(Company Registration No. 201427862D)
Incorporated in the Republic of Singapore

**UPDATE ON DISCHARGE OF RELEVANT ENCUMBRANCE AND ARRANGEMENT
RELATING TO LISTED SHARES**

The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**” and each a “**Group Company**”) refers to the Company’s announcements dated:

- (i) 13 June 2021 in respect of, among others, the existing encumbrance on the outstanding service fees of RMB 100 million received by Wish Shanghai and the announcement dated 17 June 2021 in response to certain queries from the SGX-ST in respect of the 13 June 2021 Announcement;
 - (ii) 1 July 2021 in respect of the status of registration of the New Third Party Mortgage and removal of the Relevant Encumbrance;
 - (iii) 19 July 2021 in relation to obtaining further guarantees from Kaifeng Jufel and Mr Zhang;
 - (iv) 18 August 2021 relating to the guarantee agreements signed by Kaifeng Jufel and Mr Zhang (collectively referred to and defined as the “**Guarantors**” in the same announcement) in favour of Wish;
 - (v) 30 September 2021 relating to the extension of the deadline for the discharge of the Relevant Encumbrance;
 - (vi) 2 November 2021 relating to among others the additional steps Mr Zhang intends to take to resolve the matter due to the extended delay in procuring the release and discharge of the Relevant Encumbrance; and
 - (vii) 31 December 2021 relating to the entry into an agreement by and between the Company, Mr Zhang and TAM pertaining to the transfer and sale of certain number of Listed Shares held by Mr Zhang (the “**Agreement**”),
- (collectively, the “**Announcements**”).

Unless otherwise defined herein, all capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Announcements.

**1. UPDATE ON DISCHARGE OF RELEVANT ENCUMBRANCE AND ARRANGEMENT
RELATING TO LISTED SHARES**

- 1.1 As announced by the Company on 2 November 2021, the previous deadline for the Guarantors to procure the release and discharge of the Relevant Encumbrance was 31 October 2021. The reasons for the delay then in procuring such release and discharge were set out in the aforesaid announcement. In order to expedite the resolution of the matter, the Company had entered into the Agreement with Mr Zhang and TAM pursuant to which, among others, Mr Zhang is to procure the transfer(s) of Listed Shares, with an aggregate value of RMB 100 million, to the Company within 3 months from the date of the Agreement (i.e. by 31 March 2022).

- 1.2 As at the date of this announcement, the Company has not received any confirmation:
- (a) from Mr Zhang and/or Kaifeng Jufel on the complete release and discharge of the Relevant Encumbrance; and
 - (b) from its appointed licensed brokering firm on the receipt of such Listed Shares with an aggregate value of RMB 100 million. To date, the Company's appointed licensed brokering firm has confirmed receipt of 5,000,000 Listed Shares. As at the date of this announcement, the aggregate value of the 5,000,000 Listed Shares is approximately RMB 1.2 million.
- 1.3 The Company has been informed by Mr Zhang and the Guarantors that the delay in procuring the transfers of the Listed Shares and the release and discharge of the Relevant Encumbrance was due to the severity of the Covid-19 situation in the People's Republic of China ("**PRC**") and Hong Kong in light of major outbreaks arising from new variants of the coronavirus, which resulted in difficulties for Mr Zhang and his authorised representative to undertake the necessary arrangements and/or actions for the transfer of the Listed Shares and/or to procure the release and discharge of the Relevant Encumbrance.
- 1.4 The Board, in consultation with the Audit and Risk Committee, has noted the explanation provided by Mr Zhang and the Guarantors and has agreed to extend the deadline for:
- (a) Mr Zhang to transfer (or procure the transfer of) the Listed Shares to the Company from the original deadline of 31 March 2022 to 31 May 2022; and
 - (b) the Guarantors to procure the release and discharge of the Relevant Encumbrance by 31 May 2022,
- (collectively, the "**Further Extensions**").
- 1.5 The foregoing extensions are granted on the basis that there will be no further extension of the deadline after 31 May 2022. In addition, the Board (save for Mr Zhang) is of the view that the Further Extensions are necessary in facilitating the transfer of the Listed Shares and/or the release and discharge of the Relevant Encumbrance and accordingly, may be in the best interests of the Company taking into consideration the additional steps taken, and commitment given, by Mr Zhang (whether in his personal capacity or by procuring Kaifeng Jufel to do the necessary) to facilitate the resolution of the matter following the entry into the Agreement, particularly the following:
- (a) that Mr Zhang has undertaken to transfer (or procure the transfer(s) of) such number of Listed Shares, the aggregate value of which, when aggregated with previous Listed Shares which have been transferred to the Company pursuant to the Agreement, is at least RMB 50 million, to the Company by 30 April 2022;
 - (b) the new guarantee entered into by the Guarantors (being Kaifeng Jufel and Mr Zhang) to among others procure or guarantee the release and discharge of the Relevant Encumbrance and the transfers of the Listed Shares in accordance with the Agreement (as may be further amended and supplemented). Further detail on such guarantee is set out in section 3 of this announcement below; and
 - (c) the written confirmation/undertaking given by Mr Zhang and Kaifeng Jufel that until and unless the Listed Shares in the aggregate value of RMB 100 million have been transferred to the Company (or such other Group Company as may be identified by

the Company), save in respect of cash necessary to fund its working capital requirements, Kaifeng Jufel shall not transfer, sell or dispose any asset or undertake any steps in connection with any such transfer, sale or disposal without the Company's prior written consent.

2. ENTRY INTO SUPPLEMENTAL IN RELATION TO THE AGREEMENT

- 2.1 As set out in the Company's announcement dated 31 December 2021, following the Company's receipt of the Listed Shares, TAM will assist the Company with the disposal or sale of such Listed Shares. Under the Agreement, TAM is to assist the Company with such disposal until 30 June 2022 unless the service term is extended with the mutual agreement of the Company and TAM.
- 2.2 In view of the Board's agreement to extend the deadline from 31 March 2022 to 31 May 2022 for Mr Zhang to transfer (or procure the transfer of) such Listed Shares, the Company has entered into a supplemental agreement with TAM and Mr Zhang in connection with the Agreement to extend the deadline for the transfer of the Listed Shares to 31 May 2022 and the foregoing service term to 31 December 2022. The Board (save for Mr Zhang) is of the view that the extension of the service term is necessary so as to (i) provide TAM with adequate time to assist the Company with the disposal or sale of such Listed Shares transferred to the Company and (ii) facilitate the disposal or sale of such Listed Shares in an orderly manner and in compliance with applicable laws.

3. ENTRY INTO GUARANTEE AGREEMENT

- 3.1 As announced by the Company on 2 November 2021 and 31 December 2021, other than the entry into the Agreement, if the proceeds from the sale of the Listed Shares is insufficient to cover the sum of RMB 100 million, Mr Zhang shall guarantee to pay the outstanding balance pursuant to a new personal guarantee to be provided by Mr Zhang in favour of Wish.
- 3.2 In relation to the foregoing guarantee and to facilitate the extensions referred to in paragraph 1.4 above, the Guarantors (being Kaifeng Jufel and Mr Zhang) have entered into a guarantee agreement dated 1 April 2022 in favour of Wish and Wish Shanghai (the "**1 April Guarantee**"). The key terms of the 1 April Guarantee are set out below:
- (a) The Guarantors shall procure the following:
- (i) the complete release and discharge of the Relevant Encumbrance over the relevant bank account of Wish Shanghai by 31 May 2022; or
 - (ii) that Mr Zhang shall transfer (or procure the transfer(s) of) (i) such number of Listed Shares, the aggregate value of which, when aggregated with previous Listed Shares which have been transferred to the Company pursuant to the Agreement, is at least RMB 50 million, to the Company (or such other Group Company as may be identified by the Company) by 30 April 2022, and (ii) the remaining Listed Shares, the aggregate value of which when combined with the aggregate value of such Listed Shares transferred by 30 April 2022 is RMB 100 million, to the Company (or such other Group Company as may be identified by the Company) by 31 May 2022.
- (b) Until and unless the Listed Shares in the aggregate value of RMB 100 million have been transferred to the Company (or such other Group Company as may be identified by the Company) in accordance with the Agreement (as further amended and

supplemented), save in respect of cash necessary to fund its working capital requirements, Kaifeng Jufel shall not transfer, sell or dispose any asset or undertake any steps in connection with any such transfer, sale or disposal without the Company's prior written consent.

- (c) If the aggregate of the amount received by the Company and/or any Group Company pursuant to sub-paragraphs (a) above is insufficient to cover the sum of RMB 100 million, the Guarantors shall be liable to pay and guarantee payment to Wish and/or Wish Shanghai the outstanding balance (the "**Balance Amount**").
- (d) In addition, the Guarantors further guarantee payment to Wish and/or Wish Shanghai of damages (including liquidated damages) and expenses incurred in connection with the collection of the RMB 100 million, including but not limited to, litigation or arbitration expenses, notarisation expenses and travel expenses.

3.3 As previously announced by the Company, the arrangement relating to the Listed Shares pursuant to the Agreement is intended as another option to expedite the resolution of the matter relating to the release and discharge of the Relevant Encumbrance. Accordingly, if the Company and/or other Group Company receives RMB 100 million in full from the sale of the Listed Shares before the Relevant Encumbrance is completely released and discharged, the Company will work with Kaifeng Jufel to procure the return of the RMB 100 million (subject to the Relevant Encumbrance) received by Wish Shanghai to the Third Party which Kaifeng Jufel had previously secured the loan from. If the Relevant Encumbrance is completely released and discharged first (and the Company confirms receipt of and control over the entire RMB 100 million in the relevant bank account of Wish Shanghai), the Company will work with Mr Zhang to (a) return the Listed Shares (to the extent already transferred to Company or such other Group Company and which have not been sold), and (b) transfer all sales proceeds from the successful disposal of any Listed Shares, if any, to such entity as may be specified by Mr Zhang. In this regard, the Company will monitor the disposal of the Listed Shares under the Agreement and the progress of the discharge of the Relevant Encumbrance in order to determine the suitable course of action for the Company to undertake.

3.4 For avoidance of doubt, given that this is a further extension granted, in the event that:

- (a) the aggregate value of all Listed Shares received by the Company and/or any Group Company as at 30 April 2022 is less than RMB 50 million; or
- (b) the aggregate value of all Listed Shares received by the Company and/or any Group Company as at 31 May 2022 is less than RMB 100 million,

and, in each case, the Company has not received confirmation on the complete release and discharge of the Relevant Encumbrance (and receipt and control over the entire RMB 100 million in the relevant bank account of Wish Shanghai), the Company intends to seek legal advice on the appropriate recourse and/or next steps to be taken by the Company (or any of the relevant Group Company) in relation to the matter.

4. FURTHER UPDATES

The Company will keep Shareholders updated when the Relevant Encumbrance is completely released and discharged, when the disposal of all of the Listed Shares received by the Company is completed (or when the service term for engagement of TAM's services

has expired) or on any developments as and when there are any material updates on this matter.

5. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants and other professional advisers.

By Order of the Board

Pang Pok
Chief Executive Officer and Executive Director

1 April 2022

*This announcement has been prepared by GS Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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