

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

TERMINATION OF HEALTH MANAGEMENT SERVICE AGREEMENTS

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 announcement dated 31 March 2021 in respect of the health management services of the Company’s subsidiary, Wish Hospitality Holdings Private Limited (“**Wish**”) (“**Announcement**”).

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

As set out in the Company’s announcement on 31 March 2021, Wish has on 31 March 2021 entered into new agreements (each now referred to as a “**Health Management Service Agreement**” instead of BOP Service Agreement, and the BOP services provided thereunder referred to as “**health management services**” instead of “**BOP services**”) with 8 out of the 14 existing Secured Outlets to reflect the new commercial terms.

The Company would like to update shareholders that Wish has on 13 August 2021 entered into Termination Agreement with the 8 existing Secured Outlets (the “**Termination**” or “**Termination Date**”) to cease the health management services. These 8 existing Secured Outlets have decided to terminate the health management service agreement with Wish due to commercial reasons, which mainly include worsening Covid-19 pandemic situations in China since approximately 3 weeks ago and they have no plans to expand their business, i.e. opening more outlets and/or securing referral outlets, in the near future.

The Company has agreed to the 8 Secured Outlets’ request not to charge service fees from 1 July 2021 till the Termination Date amounting to RMB 2.92 million in aggregate due from these 8 existing Secured Outlets after taking into consideration the change of China’s business environment in health management service industry which lead to a switch in customer’s preference in government owned hospital over private health management service outlet and their agreement to settle all of their outstanding health management service fees from April to June 2021 amounting to approximately RMB 6.0 million in aggregate by 30 November 2021. If the Secured Outlets fail to pay the outstanding service fees within the stipulated deadline, late payment interest of 0.015% of the outstanding service fees per day will be levied on each of the Secured Outlets till the date of full settlement by them.

As announced by the Company on 31 March 2021, these 8 Secured Outlets had terminated the BOP Service Agreement with Wish on 31 March 2021. As at the date of this announcement, the amount owing from these 8 Secured Outlets in respect of BOP services rendered in the financial year ended 31 December 2020 till the date of termination is approximately RMB 24.8 million in aggregate.

Shareholders should note that the Termination is expected to have a material impact on the Group’s revenue and earnings for the financial year ending 31 December 2021 due to the reduction in the revenue in the Health Management Service segment of the Group from these 8 Secured Outlets.

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

15 August 2021

*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 statements or opinions made or reports contained in this announcement.

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