

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

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- (1) **UPDATE ON ARRANGEMENT RELATING TO LISTED SHARES**
  - (2) **UPDATE ON ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**
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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:

- (a) 9 May 2022 pertaining to the update on the arrangement relating to the Listed Shares;
- (b) 13 May 2022 in relation to the update on the revised date of the AGM;
- (c) 18 May 2022 and 24 May 2022 in relation to the Company’s response to queries from the SGX-ST,

and the relevant announcements referred to therein (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 ARRANGEMENT RELATING TO LISTED SHARES**

- 1.1 As announced by the Company on 9 May 2022, the Board, in consultation with the Audit and Risk Committee, had agreed for Mr Zhang 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 100 million, to the Company (or such other Group Company as may be identified by the Company) by the deadline of 31 May 2022.
- 1.2 On 18 May 2022, the Company announced that based on representations made by Mr. Zhang to the Board then, as at the date of such announcement, there were in total 605,000,000 Listed Shares which (a) were legally and/or beneficially owned by Mr. Zhang and transferred and/or to be transferred to the Company, and (b) in respect of which Mr. Zhang was currently procuring transfer(s) of by 31 May 2022 (referred to as the Relevant Listed Shares).
- 1.3 As at the date of this announcement, save for the receipt of 5,000,000 Listed Shares which was previously confirmed by the Company’s appointed licensed brokering firm, the Company has not received any confirmation on the receipt of any additional Listed Shares. The Company has also not received any confirmation from Mr Zhang and/or Kaifeng Jufel on the complete release and discharge of the Relevant Encumbrance.
- 1.4 The Board understands from Mr Zhang that he remains unable to travel to Hong Kong to undertake the necessary arrangements and/or actions for the transfer(s) of additional Listed Shares and/or release and discharge of the Relevant Encumbrance due to travel restrictions in the PRC and Hong Kong because of the ongoing Covid-19 situation in the PRC and Hong Kong. However, Mr Zhang has informed the Board that he has earmarked certain funds and is expected to transfer (or procure the transfer(s) of) of 100,000,000 Listed Shares to the

Company by 15 June 2022 and an additional 100,000,000 to 200,000,000 Listed Shares by the first week of July 2022.

- 1.5 In addition to the foregoing, as announced by the Company on 18 May 2022, the Board had been in discussions with Mr Zhang to agree on additional steps that may be taken to facilitate the Group's collection and receipt of the full RMB 100 million. Pursuant to such discussions, to assure the Board of his commitment to resolve the matter, Mr Zhang has agreed to pay to the Company the sum of HKD 1 million by 15 June 2022. Mr Zhang has also agreed that in the event that the aggregate value of all Listed Shares received by the Company and/or any Group Company as at 31 July 2022 is less than RMB 100 million, Mr Zhang shall undertake to pay to the Company any shortfall in the amount by way of monthly instalment of S\$1,000,000 for a period of twelve (12) months commencing from the first week of August 2022. Each monthly instalment is to be satisfied:
- (a) in the form of cash payment; or
  - (b) transfer(s) of such number of Listed Shares to the Company (with aggregate value at time of transfer being S\$1,000,000); or
  - (c) a combination of the above (where value of Listed Shares at time of transfer must be S\$1,000,000 when combined with the cash payment made for that instalment).
- 1.6 In the event that the aggregate value of such Listed Shares and monthly instalments received by the Company is insufficient to cover the sum of RMB 100 million, Mr Zhang shall pay to the Company the outstanding balance together with the final monthly instalment.
- 1.7 In view of the extended delay in transferring (or procuring the transfer(s) of) the Listed Shares to the Company, the Company, in consultation with the Audit and Risk Committee, had sought legal advice on the rights of the Company and/or its Group Company in respect of the 1 April Guarantee and/or appropriate legal recourse which may be taken by the Company (or any of the relevant Group Company).
- 1.8 The Board understands that based on legal advice obtained from the Company's PRC lawyers, even in the absence of any resistance from Mr Zhang and/or Kaifeng Jufeel, enforcement of the 1 April Guarantee will require the Company to commence an arbitration claim with the China International Economic and Trade Arbitration Commission ("**CIETAC**") against Mr Zhang and/or Kaifeng Jufeel. Such arbitration is likely to take up to 1 year for the entire arbitration process to be completed. In addition, the Board further understands from the PRC lawyers that even if the Company obtains a favourable ruling, there is no guarantee that the Company will not encounter any difficulties in the recovery of the monies (or if such monies can be recovered in a timely manner) pursuant to such ruling. In view of the foregoing, particularly the legal fees involved in engaging PRC lawyers to represent and successfully finish the arbitration and the time required to commence and complete relevant legal proceedings, the Board (save for Mr Zhang) is of the view that the proposal made by Mr. Zhang as detailed in paragraph 1.4 (in relation to the pending transfers of the Listed Shares) and paragraphs 1.5 and 1.6 (in relation to the agreement to pay the Company the sum of HKD 1 million and proposal to cover any shortfall) will, as compared to enforcement of the 1 April Guarantee, better facilitate the resolution of the matter as it is likely to be faster and less costly.

## 2. UPDATE ON THE REVISED DATE OF THE AGM

As announced by the Company on 13 May 2022, the Company had been working closely with its auditors to ensure that the audit of the Group's financial statements for FY2021 can be completed by the fourth week of May 2022. However, as at the date of this announcement, the Company understand from its auditors that they are unable to provide the Company with a definitive date and/or period for the completion of the audit as they are still in the process of auditing and finalising the Group's financial statements for FY2021. In view of the foregoing, the Company will release a further announcement on the expected date of the AGM for FY2021 after receiving the relevant confirmation from its auditors that the audit of the Group's financial statements for FY2021 has been completed.

## 3. BOARD'S COMMENT ON GOING CONCERN AND CONTINUED TRADING OF SECURITIES

Notwithstanding the above developments, the Board's views on the Company's ability to continue operating as a going concern remains unchanged, as set out in the previous announcements dated 22 April 2022, 18 May 2022 and 24 May 2022.

To the best of the Board's knowledge, all material disclosures have been announced for the trading of the Company's shares to continue. On this basis, the Board confirms that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner.

## 4. FURTHER UPDATES

The Company will keep Shareholders updated on any developments as and when there are any material updates on the above matters, including the receipt and/or disposal of the Listed Shares by the Company.

## 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

5 June 2022

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*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 Catalist.*

*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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