

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

**UPDATE ON THE POTENTIAL ACQUISITION OF A PRC COMPANY AND
AMOUNT OWING BY MR ZHANG RONGXUAN ("MR ZHANG")**

The Board of Directors (the "**Board**") of GS Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" and each a "**Group Company**") wishes to update the Shareholders pertaining to the possible corporate deal which involves the acquisition of one of the core businesses of a PRC company by the Company and amount owing by Mr Zhang as announced in Note 14 of the Company's half yearly financial results ended 30 June 2023 on 14 August 2023.

Subsequent to the announcement, the Management of the Company has had a few meetings with the representatives of the PRC company to discuss matters pertaining to the potential acquisition. The Management has also conducted preliminary due diligence, such as site-visits, review of the PRC company's management accounts for the 6 months period ended 30 June 2023, and understanding of the operations of the PRC company. Independent valuation and other due diligence by professional legal and audit firms have not yet been carried out in order to avoid unnecessary costs to the Company as the Management of the Company is still in discussion on the terms with the PRC company.

From the preliminary due diligence performed, the Management noted that there are several measures required to be taken by the PRC company to improve their business processes and accounting records and would need time and resources to fulfil these requirements. In the final meeting held today, the Company and the PRC company have decided to mutually agree not to proceed with the potential acquisition due to commercial reasons and in consideration of the substantial time and resources required to complete the acquisition.

As the potential acquisition will not materialise, the individual shareholder of the PRC company is no longer keen to help Mr Zhang to settle part of the amount owing by Mr Zhang. As an immediate next step, the Board of Directors will be issuing a Letter of Demand to Mr Zhang in the coming days. Should Mr Zhang fail to respond to the Company's Letter of Demand within 21 days from the date of the Letter of Demand, or that the new proposal made by Mr Zhang is not supported by evidence of his ability to pay, the Board of Directors will view the collectability of amount owing by Mr Zhang to be doubtful and the Company will make full provision of impairment on the outstanding amount owing by Mr Zhang. The Board of Directors will also contemplate initiating legal actions against Mr Zhang as the next step should the need arise.

The Company will keep Shareholders updated on any material developments and make the appropriate announcements as and when there are any material updates on the above matter.

By Order of the Board

Pang Pok
Chief Executive Officer and Executive Director

12 October 2023

*This announcement has been prepared by GS Holdings Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, Evolve Capital Advisory 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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