

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

**UPDATE ON DISCHARGE OF RELEVANT ENCUMBRANCE
– ENTRY INTO AGREEMENT 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 services fees of RMB 100 million received by Wish Health Management (Shanghai) Co. Ltd. (the “**13 June 2021 Announcement**”) and the announcement dated 17 June 2021 in response to certain queries from the Singapore Exchange Securities Trading Limited (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 Jufee Biotechnology Co., Ltd. (“**Kaifeng Jufee**”) and Mr Zhang Rongxuan (“**Mr Zhang**”);
- (iv) 18 August 2021 relating to the guarantee agreements (the “**Guarantees**”) signed by Kaifeng Jufee and Mr Zhang (collectively, the “**Guarantors**”) in favour of Wish Hospitality Holdings Private Limited (“**Wish**”);
- (v) 30 September 2021 relating to the extension of the deadline for the discharge of the Relevant Encumbrance; and
- (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,

(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 ENTRY INTO AGREEMENT RELATING TO LISTED SHARES

- 1.1 On 2 November 2021, the Company announced that Mr Zhang was unable to procure the release and discharge of the Relevant Encumbrance by the extended deadline of 31 October 2021. To expedite the resolution of the matter, Mr Zhang had informed the Company of the additional steps he intended to take which included the entry into the Agreement in connection with, among others, the sale of such number of Listed Shares (being shares of a company listed on the Hong Kong Stock Exchange with an aggregate market value of RMB 100 million).
- 1.2 The Board wishes to update shareholders that the Company has entered into the Agreement with Mr Zhang and Truth Assets Management (S) Pte. Ltd. (“**TAM**”). TAM is a company incorporated in Singapore in January 2020. TAM has confirmed with the Company that

neither it nor its sole shareholder is an associate of any director, chief executive officer or controlling shareholder of the Company. TAM is currently registered as a Registered Fund Management Company with the Monetary Authority of Singapore. The Company has engaged TAM to assist with and manage the disposal or sale of the Listed Shares in an orderly and professional manner in order to minimise disruption on the share price of the Listed Shares. Further information on TAM's appointment is set out below.

1.3 The key terms of the Agreement are set out below.

Parties to the agreement	<ul style="list-style-type: none">• The Company• Mr Zhang (in relation to his obligation owed to the Company to transfer such number of Listed Shares as further detailed below)• TAM (in relation to its obligations owed to the Company to assist the Company with the disposal of the Listed Shares as further detailed below)		
Mr Zhang’s obligations	<ul style="list-style-type: none">• Mr Zhang shall procure the transfer(s) (whether in single tranche or multiple tranches) of such number of Listed Shares, the aggregate value of which is RMB 100 million, within 3 months from the date of the Agreement.• Such transfer(s) must be made to an account owned by the Company and maintained with such licensed brokering firm as may be agreed between the Company and Mr Zhang. As at the date of this announcement, the Company has obtained confirmation from such appointed licensed brokering firm that 5,000,000 Listed Shares (in scrip form) have been received. Such Listed Shares have an aggregate value of approximately RMB 2.0 million, or approximately 2% of RMB 100 million.• There is no consideration payable to Mr Zhang to procure such transfer(s) (save that where the applicable laws require the documents necessary to effect such transfer to state a consideration amount, such consideration amount shall be the nominal consideration of S\$1.00, the receipt and sufficiency of which Mr Zhang has confirmed).		
Provisions relating to TAM	<p>The key provisions relating to TAM are set out below. TAM is engaged by the Company and TAM’s obligations under the Agreement relating to the services provided are owed to the Company.</p> <table><tr><td>Appointment</td><td><p>The Company appoints TAM to assist the Company with the disposal or sale of the Listed Shares which have been transferred to the Company. TAM will inform the Company on when any disposal or sale of such Listed Shares should be made to ensure among others that the disposal of such Listed Shares is done in an orderly manner and in compliance with applicable laws.</p><p>Shareholders should note that the Company has engaged TAM to only assist in managing the disposal and sale arrangements of such Listed</p></td></tr></table>	Appointment	<p>The Company appoints TAM to assist the Company with the disposal or sale of the Listed Shares which have been transferred to the Company. TAM will inform the Company on when any disposal or sale of such Listed Shares should be made to ensure among others that the disposal of such Listed Shares is done in an orderly manner and in compliance with applicable laws.</p> <p>Shareholders should note that the Company has engaged TAM to only assist in managing the disposal and sale arrangements of such Listed</p>
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		Shares and TAM is not advising the Company on the merits or otherwise of any trades or returns of such disposal or sale arrangements.
	Term	TAM shall provide such services for a period of 6 months from the date of the Agreement (or such other period as may be mutually agreed in writing by the Company and TAM). TAM will use its best endeavours to procure for the disposal of such Listed Shares within the service term.
	Sale of Listed Shares	Any sale of such Listed Shares will ultimately be subject to the Company's prior written consent.
	Fees	<p>As consideration for the services provided by TAM to the Company, the Company will pay to TAM:</p> <ul style="list-style-type: none"> • a one-time non-refundable retainer fee of S\$50,000; and • a fee in the sum equivalent to 0.7% of the gross proceeds from the disposal of such Listed Shares procured by TAM. <p>The fees are paid by the Company to TAM as the Services are provided to the Company. The 0.7% service fee (based on gross proceeds) is also expected to incentivise TAM to procure disposal of the Listed Shares at a favourable price. The Company has also agreed to bear such fees payable to TAM as (a) the arrangements relating to the sale of the Listed Shares have been offered by Mr Zhang as another option to expedite the resolution of the matter relating to the release and discharge of the Relevant Encumbrance and (b) based on the PRC legal opinion, the arrangements for the sale of the Listed Shares is likely to be faster and less costly than enforcing the Guarantees.</p>
Other provisions	If the gross proceeds received by the Company from the disposal of such Listed Shares procured by TAM exceed RMB 100 million (the " Excess Proceeds "), the Company shall make arrangements to return the Excess Proceeds to Mr Zhang as soon as practicable.	

- 1.4 Shareholders should note that the above arrangement under the Agreement differs from the arrangements disclosed in the Company's announcement dated 2 November 2021. Under the prior arrangements announced by the Company on 2 November 2021, Mr Zhang was to procure the transfer of proceeds from the sale of the Listed Shares to the bank account of the Company (or such other Group Company as may be identified by the Company) and based on the status of the discussions then as at 2 November 2021, Mr Zhang had then expected the sale of the Listed Shares to be completed on or around 1 April 2022 (being 5 months from the date of the Company's announcement on 2 November 2021). However, under the current arrangements pursuant to the Agreement:

- (a) instead of procuring the transfer of proceeds from the sale of the Listed Shares to the bank account of the Company (or such other Group Company as may be identified by the Company) on or around 1 April 2022, Mr Zhang is to procure the transfer(s) of such Listed Shares to the Company within 3 months from the date of the Agreement (i.e. by 31 March 2022); and
- (b) following the Company's receipt of such Listed Shares, TAM will assist the Company with the disposal or sale of such Listed Shares (instead of the disposal of such Listed Shares being under Mr Zhang's purview under the previous arrangements). Under the Agreement, TAM is to assist the Company with such disposal until 30 June 2022 (being 6 months from the date of the Agreement) unless the service term is extended with the mutual agreement of the Company and TAM.

The Board (save for Mr Zhang) is of the view that the current arrangements between Mr Zhang and the Company under the Agreement will better protect the Company's interests given that such arrangements will allow the Company to exercise control over such Listed Shares as well as oversee and manage the disposal of such Listed Shares.

- 1.5 Shareholders should also note that the alternative arrangement detailed in the Company's announcement dated 2 November 2021 (including the entry into the Agreement as further detailed above) is intended as another option to expedite the resolution of the matter relating to the release and discharge of the Relevant Encumbrance.
- 1.6 As announced by the Company on 2 November 2021, other than the entry into the Agreement, the following additional steps will also be taken depending on the amount of proceeds received by the Company from such sale of the Listed Shares:-
 - (a) If the proceeds from such 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.
 - (b) If the Company and/or other Group Company receives RMB 100 million in full from such sale of the Listed Shares, 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.

In this regard, the Company will monitor the disposal of the Listed Shares under the Agreement in order to determine the suitable course of action for the Company to undertake.

2. FURTHER UPDATES

The Company will keep Shareholders updated 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.

3. 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

31 December 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 information, statements or opinions made or reports contained in this announcement.

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