

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

**RESPONSES TO QUERIES FROM THE SGX-ST IN RELATION TO THE COMPANY'S
ANNOUNCEMENTS DATED 25 MARCH 2022 AND 22 APRIL 2022**

The Board of Directors (the "**Board**") of GS Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" and each a "**Group Company**") sets out below the queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to the Company's announcements dated 25 March 2022 and 22 April 2022, and the Company's responses to the queries.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as defined in the Company's announcement dated 25 March 2022.

Query 1:

*The Company was unable to provide the bank statements of Wish Shanghai for FY2021 audit because Mr Liu Changsheng ("**Mr. Liu**"), a former Non-Executive and Non-Independent Director of the Company, has been unresponsive. Please elaborate on what this means, the ways in which the Company has tried to contact Mr. Liu. When did Mr. Liu become unresponsive / uncontactable? Other than Mr Liu, who are other parties in Wish Shanghai?*

Company's Response to Query 1:

The Company, through Mr. Pang, Mr. Zhang and its finance department, was able to contact Mr. Liu via emails and/or WeChat from time to time to request for Mr. Liu to surrender the bank tokens in respect of the bank accounts of the Company's PRC subsidiaries, the legal representative seal/ stamp, company seal/ stamp and original business license of Wish Shanghai in order for the Company to take such steps and execute the necessary documents to among others, obtain the relevant bank statements, amend the business license of Wish Shanghai and change the authorised bank signatory of the Company's PRC subsidiaries. Mr. Liu had from time to time expressed his commitment to Mr. Pang and Mr. Zhang that he will arrange for the foregoing to be done.

Subsequent to the Board's discussions on the removal of Mr. Liu from all appointments in respect of the Company's PRC subsidiaries on or around middle to end August 2021, the Board further requested for the Company's management to obtain the relevant items and documents from Mr. Liu. Notwithstanding several reminders from the Company since end August 2021, Mr. Liu failed to provide the abovementioned items and documents to the Company.

In addition to Mr. Liu, the board of directors of Wish Shanghai comprises Mr. Pang, the Chief Executive Officer and Executive Director of the Company, and Mr. Chong Eng Wee ("**Mr. Chong**"), the Lead Independent Director of the Company. Both Mr. Pang and Mr. Chong are ordinarily resident in Singapore. Please refer to the Company's response to queries 3 and 8 for more details on the director(s), legal representative(s) and authorised bank signator(ies) of Wish Shanghai.

Query 2:

*Why did the Board and AC allow Mr Liu Changsheng to remain as the sole authorized signatory of the bank account of Wish Shanghai in which the outstanding service fees of RMB 100 million is kept (the "**Bank Account**") when he has resigned from the Board in January 2021? Why did Mr Liu remain as the director and legal rep of the Company's PRC subsidiaries till September 2021 despite resigning from the Board in January 2021? Please provide the Board's considerations and justifications.*

Company's Response to Query 2:

Authorised bank signatory of the Bank Account of Wish Shanghai

As stated in the Company's response to query 1 above, as Mr. Liu failed to provide the relevant items and documents, the Company was unable to effect the necessary changes, which include changing the authorised signatory of the Bank Account of Wish Shanghai. In view of the foregoing, the Company consulted its PRC lawyers who advised the Company to apply for, and obtain, replacement for the relevant items and documents so that the aforesaid changes can be effected. As the Board was advised that the process of replacing the authorised signatory and bank token holder has to involve the relevant person(s) to be physically present at the relevant banks to effect such changes, in view of the Covid-19 travel restrictions, the Board therefore resolved to appoint Mr. Zhang, being the only PRC based director of the Group to effect such changes physically in PRC.

However, Mr. Zhang represented to the Board on various occasions that he was unable to travel to Shanghai, PRC, to execute the relevant documents to effect the aforesaid changes due to the ongoing Covid-19 travel restrictions and personal health-related issues. Such situation remains notwithstanding that the Board had constantly reminded Mr. Zhang of the importance of effecting the aforesaid changes as soon as possible and further explored other alternatives with Mr. Zhang to effect the aforesaid changes.

In view of the amount of time which has lapsed since, the Board agreed to appoint Mr. Pang to travel to Shanghai, PRC, in place of Mr. Zhang. However, with the rejection of Mr. Pang's application for an invitation letter to travel to Shanghai, PRC and the severity of the Covid-19 situation in the PRC, Mr. Pang is presently unable to travel to Shanghai, PRC to effect the aforesaid changes.

Further thereto, as disclosed in the Company's announcement dated 17 June 2021, the Board had also considered the appointment of Mr. Fu Wenxing ("**Mr. Fu**"), the general manager of Wish Shanghai and an executive officer of the Group, who is based in PRC, as an additional bank signatory to the Bank Account but Mr. Fu declined and did not agree to such arrangement.

In light of the difficulties in arranging for travel to the PRC, Mr. Fu being unwilling to act as the authorised signatory of the Bank Account and the PRC bank's requirement for the new authorised signatories to be physically present at the bank to be appointed as such, Mr. Liu remained as the only authorised signatory of the Bank Account.

Director and legal representative of the Company's PRC subsidiaries

Mr. Liu had resigned from the Board with effect from 11 February 2021. Mr. Liu however remained as director and legal representative of Wish Shanghai in connection with his continued provision of consultancy and advisory services for the Group's branding, operations and procurement ("**BOP**") business which was still in operation at that time. At or around the time of Mr. Liu's resignation from the Board, other than Wish Shanghai, Mr. Liu was also a director and the legal representative of each of the Company's 2 other PRC subsidiaries, being Hao Kou Wei (Shanghai) Food and Beverage Management Co., Ltd. ("**HKW Shanghai**") and Raffles Brand Management (Shanghai) Co., Ltd. ("**Raffles Brand Management Shanghai**"). As disclosed in the Company's announcement on 28 January 2021 in relation to Mr. Liu's resignation, it was envisaged then that Mr. Liu would resign as director in each of HKW Shanghai and Raffles Brand Management Shanghai in due course as further time was required to handover certain administrative matters in respect of these 2 PRC subsidiaries (and complete all formalities in relation to the change) notwithstanding that they are dormant.

Other than considering the appointment of Mr. Fu as an additional bank signatory to the Bank Account, the Board had also considered appointing Mr. Fu as a director and legal representative of Wish Shanghai but Mr. Fu similarly declined and did not agree to such arrangement. The Board sought advice from the Company's PRC lawyers on the possibility of appointing a law firm and/or a professional services firm to act as the legal representative of the PRC subsidiaries. However, the Board was advised that the foregoing was not possible as such legal representative must be a natural person.

Accordingly, Mr. Liu remained as the director and legal representative of the Company's PRC subsidiaries. However, in view of the announcement released by KTL Global Limited on SGXNet on 26 August 2021 in relation to the discovery of potential fraud (with Mr. Liu as the then Chief Executive Officer of KTL Global Limited at the material time) and with all the BOP service agreements and health management service agreements with the relevant 14 BOP outlets already terminated by then, the

Board promptly resolved to remove Mr. Liu from all appointments in respect of the Company's PRC subsidiaries (including Wish Shanghai).

Query 3:

Who is the current director and legal representative of the Group's PRC subsidiaries? Who has the seals of the PRC subsidiaries currently? What are the safeguards in place to assure that the assets and cash are intact and safeguarded?

Company's Response to Query 3:

Current director(s) and legal representative(s) of the Group's PRC subsidiaries

The current director(s) and legal representative(s) of the Group's PRC subsidiaries are as follows:

Name of PRC Subsidiary	Directors	Legal representative
Wish Shanghai ⁽¹⁾	(1) Mr. Liu (2) Mr. Pang (3) Mr. Chong Eng Wee	(1) Mr. Liu
HKW Shanghai ⁽²⁾	(1) Mr. Liu (2) Mr. Pang (3) Ms. Pang Yiling	(1) Mr. Liu
Raffles Brand Management Shanghai ⁽³⁾	(1) Mr. Liu (2) Mr. Pang (3) Ms. Zhang Liying	(1) Mr. Liu

Notes:

- (1) Save for the receipt of service fees in connection with the BOP business and entry into relevant agreements relating to the collection of such service fees, Wish Shanghai has yet to commence its business and is a dormant company.
- (2) HKW Shanghai is a dormant company.
- (3) Raffles Brand Management Shanghai is a dormant company.

Company seal/ stamp of PRC subsidiaries

The company seal/ stamp and legal representative seal/ stamp of Wish Shanghai are presently in the possession of Mr. Liu.

The company seal/ stamp and legal representative seal/ stamp of HKW Shanghai and Raffles Brand Management Shanghai are currently held by the Group's appointed agent based in Shanghai who provides accounting and taxation services to the above three PRC subsidiaries.

Safeguards to assure that assets and cash of Wish Shanghai are still intact

Please refer to the Company's response to query 8 below. In respect of Wish Shanghai's bank account held with Bank of China, Mr. Chong Paw Long, the Chief Financial Officer of the Company ("CFO"), has been appointed as "transaction maker". As set out in note 1 in the Company's response to query 8 below, Mr. Chong Paw Long may effectively be in a similar position/ hold similar authority as an authorised signatory (at least in respect of all online payments via bank token) as an online payment requiring approval via bank token cannot be processed and completed if the CFO does not input the relevant payment and/or bank transfer details on the online banking platform.

In respect of the Bank Account, as announced on 17 June 2021, the Company had approved and implemented certain internal control measures in respect of the Bank Account in which the RMB 100 million is kept. Such internal control measures included arranging for Mr. Pang and/or the CFO to travel to PRC to take the necessary administrative steps to be added as authorised signatories of the Bank Account in replacement of Mr. Liu and the appointment of Mr. Fu, the general manager of Wish

Shanghai and an executive officer of the Group, who is based in PRC, as an additional authorised signatory of the Bank Account in the interim period, until Mr. Pang and the CFO can travel to the PRC.

However, with difficulties in arranging for travel to the PRC, Mr. Fu being unwilling to act as the authorised signatory of the Bank Account and the PRC bank's requirement for the new authorised signatories to be physically present at the bank to be appointed as such, Mr. Liu remained as the only authorised signatory of the Bank Account notwithstanding the safeguards which the Group had attempted to implement.

Notwithstanding the above, in connection with the steps/ measures taken to expedite the release and discharge of the existing encumbrance on the Bank Account, as previously announced by the Company, the Company entered into an arrangement with Mr. Zhang to procure the transfers of certain listed shares (being shares of a company listed on the Hong Kong Stock Exchange) (the "**Listed Shares**") with an aggregate market value of RMB 100 million to the Company (or such other Group Company as may be identified by the Company). The Company expects to receive such number of Listed Shares, the aggregate value of which, when aggregated with previous Listed Shares transferred to the Company (or such other Group Company as may be identified by the Company) pursuant to the arrangement is RMB 100 million, by 31 May 2022 (being the extended deadline pursuant to the supplemental agreement entered into on 1 April 2022). As at the date of this response, save for the receipt of 5,000,000 Listed Shares as confirmed by the Company's appointed licensed brokering firm, the Company has not received any confirmation on the receipt of any additional Listed Shares. Please refer to the Company's announcement dated 9 May 2022 for further details.

As disclosed in the Group's unaudited financial statements for the six months and full year ended 31 December 2021 which was announced on 1 March 2022 (the "**2021 Results Announcement**"), in view of the arrangement between the Company and Mr. Zhang for Mr. Zhang to procure the transfers of the Listed Shares to the Company, the encumbered sum of RMB 100 million held in the Bank Account was reclassified from cash and bank balances to other receivables.

Query 4:

Why was Mr Fu Wenxing (executive officer of the Group) unwilling to act as the authorized signatory of the Bank Account?

Company's Response to Query 4:

Mr. Fu informed the Board that he was unwilling to act as the authorised signatory of the Bank account as he was unable to travel to Shanghai, PRC, to execute the relevant documents to effect the foregoing change to the authorised signatory of the Bank Account due to the flood which occurred then in Zhengzhou, PRC (where Mr. Fu is based), the ongoing Covid-19 travel restrictions and personal health-related issues.

Query 5:

Please provide justifications on why the Board and AC think it is more prudent to reclassify the amount of RMB 100 million from cash balances to other receivables as amount due from Mr Zhang Rongxuan in its unaudited FY2021 financial statements? Did the Board and AC seek the views of its auditors prior to such reclassification?

Company's Response to Query 5:

As disclosed in the Group's 2021 Results Announcement, as at the date of the 2021 Results Announcement, the encumbrance on the Bank Account has yet to be discharged. Mr. Zhang had then informed the Board that Kaifeng Jufee Biotechnology Co., Ltd. ("**Kaifeng Jufee**") had submitted all the necessary documents required by the lender and had yet to receive any reply from the lender. Mr. Zhang further explained then that the current property and lending climate have been significantly impacted by the recent Evergrande's and other property companies' crisis in PRC, causing borrowers to face more difficulties in using properties as a pledge to secure financing as lenders have tightened their requirements. Based on the foregoing, Mr. Zhang is of the view that the lender may decide to terminate the RMB 100 million loan extended to Kaifeng Jufee. Therefore, he agreed with the Company

on an alternative arrangement to resolve the encumbrance issue through procuring the transfer(s) (whether in single tranche or multiple tranches) of such number of Listed Shares with an aggregate market value of RMB 100 million to the Company. Mr Zhang further informed the Board that he was actively taking the necessary steps to procure the transfer of the Listed Shares to the Company by the stipulated deadline. In this regard, please refer to the Company's announcement dated 9 May 2022 for latest updates on the arrangement for transfer(s) of the Listed Shares.

In view of the arrangement entered into between Mr. Zhang and the Company for Mr. Zhang to procure the transfer(s) of such Listed Shares in the aggregate sum of RMB 100 million to the Company and Mr. Zhang's representation that the RMB 100 million in the Bank Account remains encumbered with the Group being unable to utilise such RMB 100 million freely, the Board was of the view that it was more prudent to reclassify the amount of RMB 100 million to other receivables as amount due from Mr. Zhang. The Board understands that the Group's 2021 Results Announcement with such reclassification was circulated to its auditors for review prior to release and further understands that the auditors have no objections or comments on the reclassification of the RMB 100 million from cash balances to other receivables due from Mr Zhang.

Query 6:

While it is stated that the Board was advised that the process of replacing the authorised signatory and bank token holder has to involve the relevant person(s) to be physically present at the relevant banks to effect such changes, how are the Company's auditors or Independent Reviewer (i.e. Deloitte) able to verify the bank balances of Wish Shanghai? What are the Company's plans to collect the RMB 100 million? Please also provide updates on the release and discharge of the relevant encumbrance on the RMB 100 million.

Company's Response to Query 6:

The Company understands that the relevant banks require the Company and/or its PRC subsidiaries to provide them with duly authorised bank confirmation requests before any information can be released to the auditors or Independent Reviewer. However, as Mr. Liu failed to provide the relevant items to the Company, which include the bank token of the PRC subsidiaries and the legal representative and company seal/ stamp of Wish Shanghai, and with Mr. Pang being unable to travel to Shanghai, PRC, to obtain replacement for the foregoing items and documents to effect the necessary changes, the Company will not be able to provide the duly authorised bank confirmation requests to the relevant banks.

As at the date of this announcement, the Company understands from Mr. Zhang that he is still trying to procure the release and discharge of the relevant encumbrance by the extended deadline of 31 May 2022 in accordance with the terms of the new guarantee agreement dated 1 April 2022 entered into by the guarantors (being Kaifeng Jufei and Mr. Zhang) in favour of Wish and Wish Shanghai (the "**1 April Guarantee**"). As disclosed in the Company's announcement dated 1 April 2022, Mr. Zhang is to transfer (procure the transfer(s) of) such number of Listed Shares the aggregate value of which, when aggregated with previous Listed Shares transferred to the Company (or such other Group Company as may be identified by the Company) is at least RMB 100 million, to the Company by the extended deadline of 31 May 2022.

As further announced by the Company on 9 May 2022, Mr. Zhang has informed the Board that he expects to transfer (or procure the transfer(s) of) the Listed Shares immediately after travel restrictions have been lifted. In the event that 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 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 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. This includes seeking relevant legal advice from its PRC lawyers on any potential recourse which the Company may have (via Wish Hospitality Holdings Private Limited ("**Wish**") or Wish Shanghai) pursuant to the 1 April 2022 Guarantee.

Query 7:

The Company disclosed that it is “unable to ascertain the exact balance in the bank accounts of Wish Shanghai due to its inability to obtain the relevant bank statements”. Why was the Company unable to obtain the relevant bank statements? Is the Company able to verify the bank account electronically?

Company’s Response to Query 7:

Please refer to the Company’s response to query 6 above. The Company is also unable to verify the bank account electronically as the bank tokens are in the possession of Mr. Liu. Please also refer to the Company’s response to query 8 below for more details.

Query 8:

The Company disclosed that it will continue to work towards changing the signatories of the Wish Shanghai bank accounts. Please explain how the Company intends to do so, and the status of such change in signatories. In the meantime, who has the seals and is / are the authorized signatories for these bank accounts?

Company’s Response to Query 8:

Actions to be taken by the Company and status of the change in signatories

In view of the rejection of Mr. Pang’s application for an invitation letter to travel to Shanghai, PRC as announced by the Company on 22 April 2022 and the lockdown situation in Shanghai, PRC, Mr. Pang is presently unable to travel to Shanghai, PRC to effect the changes to the authorised bank signatories of Wish Shanghai’s bank accounts. Notwithstanding the above, the Company is closely monitoring the Covid-19 situation in the PRC and will undertake the necessary arrangements and/or actions for Mr. Pang (or any other designated representative) to travel to Shanghai, PRC, to effect the changes as soon as possible after travel restrictions have been lifted.

Current authorised signator(ies) of the Group’s PRC subsidiaries

The current authorised signator(ies) of the Group’s PRC subsidiaries are as follows:

Name of PRC Subsidiary	Authorised Bank Signatory
Wish Shanghai	Bank of China ⁽¹⁾ (1) Mr. Liu Guangfa Bank (1) Mr. Liu
HKW Shanghai	Bank of China ⁽²⁾ (1) Mr. Liu
Raffles Brand Management Shanghai	Bank of China ⁽³⁾ (1) Mr. Liu

Notes:

- (1) The Board had on or around October 2019 resolved for Mr. Pang and Mr. Liu to be appointed as the authorised signatories for Wish Shanghai’s bank account with Bank of China, and for Mr. Chong Paw Long, the CFO, to be appointed as “transaction maker”.

However, due to his business and other commitments, Mr. Pang was unable to travel to Shanghai, PRC, with Mr. Chong Paw Long in early November 2019 to open Wish Shanghai’s bank account with Bank of China together with Mr. Liu. The travel to Shanghai was subsequently postponed to around January 2020 but with the COVID-19 outbreak then Mr. Pang was unable to make the trip. As a result, Wish Shanghai’s bank account with Bank of China was subsequently opened with Mr. Liu as authorised signatory and Mr. Chong Paw Long as “transaction maker”.

As “transaction maker”, in respect of all online payments requiring approval via bank token, Mr. Chong Paw Long, the CFO, is required to input the relevant payment and/or bank transfer details on the online banking platform before the authorised bank signatory (currently being Mr. Liu) can approve the aforesaid payment and/or bank transfer via the bank token held by him. For avoidance of doubt and notwithstanding the bank token held by Mr. Liu, with Mr. Chong Paw Long as “transaction maker”, an online payment requiring approval via bank token cannot be processed and

completed if the Company's CFO does not input the relevant payment and/or bank transfer details on the online banking platform. Given the foregoing, Mr. Chong Paw Long may effectively be in a similar position/ hold similar authority as an authorised signatory (at least in respect of all online payments via bank token).

There were originally two bank tokens issued for Wish Shanghai's bank account with Bank of China which were held by Mr. Liu and Mr. Chong Paw Long respectively. However, the foregoing bank tokens were disabled sometime on or around mid-2021 as part of the bank's initiative to upgrade the bank tokens. Due to the ongoing Covid-19 travel restrictions, one of the two new bank tokens which was issued to Mr. Chong Paw Long was collected by Mr. Liu for and on his behalf. However, as announced on 17 June 2021, the Company understands that bank tokens are considered prohibited items in the PRC for the purposes of shipping and the Company was therefore unable to arrange for Mr. Chong Paw Long's bank token to be couriered to him in Singapore.

- (2) Mr. Chong Paw Long was designated as "transaction maker" of HKW Shanghai's bank account with Bank of China. As "transaction maker", in respect of all online payments requiring approval via bank token, Mr. Chong Paw Long, the CFO, is required to input the relevant payment and/or bank transfer details on the online banking platform before the authorised bank signatory (currently being Mr. Liu) can approve the aforesaid payment and/or bank transfer via the bank token held by him. For avoidance of doubt and notwithstanding the bank token held by Mr. Liu, with Mr. Chong Paw Long as "transaction maker", an online payment requiring approval via bank token cannot be processed and completed if the Company's CFO does not input the relevant payment and/or bank transfer details on the online banking platform. Given the foregoing, Mr. Chong Paw Long may effectively be in a similar position/ hold similar authority as an authorised signatory (at least in respect of all online payments via bank token).
- (3) Mr. Xi Cheng Long ("Mr. Xi"), the Group's appointed agent based in Shanghai who provides accounting and taxation services to the above three PRC subsidiaries, was designated as "transaction maker" of Raffles Brand Management Shanghai's bank account with Bank of China.

Company seal/ stamp of PRC subsidiaries

Please refer to the Company's response to query 3 above.

By Order of the Board

Pang Pok

Chief Executive Officer and Executive Director

10 May 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.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.