



GS HOLDINGS LIMITED
(Incorporated in Singapore on 19 September 2014)
(Company Registration Number: 201427862D)

- (1) **INCORPORATION OF WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**
 - (2) **ENTRY INTO DEED OF NOVATION IN RESPECT OF THE MASTER DISTRIBUTION RIGHTS AGREEMENT**
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1. INTRODUCTION

The Board of Directors (“**Directors**”) of GS Holdings (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 29 January 2021 (the “**29 January Announcement**”) in respect of the master distribution rights agreement (the “**Master Agreement**”) entered into between the Company’s indirect subsidiary, Raffles Brands Pte. Ltd. (“**Raffles Brands**”), and Kaifeng Jufeel Biotechnology Co., Ltd. (开封九福来生物技术有限公司) (“**Kaifeng Jufeel**”).

Save as otherwise set out herein, capitalised terms not defined in this announcement shall have the meaning ascribed to them in the 29 January Announcement.

The Company wishes to announce that the Company has, on 4 June 2021, incorporated a wholly-owned subsidiary, being PMAS International Pte. Ltd. (“**PMAS**”), and subsequently, PMAS, Raffles Brands and Kaifeng Jufeel have entered into a deed of novation on the date of this announcement (the “**Novation Deed**”), pursuant to which Raffles Brands shall transfer all its rights, obligations and liabilities under the Master Agreement to PMAS, and PMAS shall be bound to the terms of the Master Agreement from the date thereof, as though it had originally been named as a party to the Master Agreement.

2. INCORPORATION OF PMAS PTE. LTD.

2.1 As mentioned above, the Company has on 4 June 2021 incorporated a wholly-owned subsidiary, being PMAS, in Singapore. PMAS has an issued and paid-up capital of S\$100,000, represented by 100,000 shares, all of which are held entirely by the Company. As at the date of this announcement, the principal activity of PMAS is a holding company. The Company intends to change the principal activity of PMAS to the trading and distribution of health-related products and the provision of health-related services, upon obtaining shareholders’ approval in respect of, among others, the undertaking by the Group of the distribution business. Shareholders may wish to refer to paragraphs 4.2 and 5.2 of the 29 January Announcement for more information on the distribution business which the Group intends to undertake.

2.2 The directors of PMAS are as follows:

- (i) Mr Pang Pok, being the Company’s Executive Director and Chief Executive Officer;
- (ii) Mr. Zhang Rongxuan (“**Mr. Zhang**”), being the Company’s Non-executive and Non-Independent Chairman. Mr. Zhang is also the legal representative of Kaifeng Jufeel, holding 49% equity interests in Kaifeng Jufeel, with the remaining 51% equity

interests held by Henan Jufeel Technology Co., Ltd. ("**Henan Jufeel**"), and Henan Jufeel is in turn 90% owned by Mr. Zhang; and

- (iii) Mr. Fu Wenxing ("**Mr. Fu**"), being the general manager of Wish Hospitality Holdings Private Limited (being the Company's subsidiary).

2.3 The initial contribution to the issued and paid-up capital of PMAS was funded through internal resources of the Company, and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2021.

2.4 Rationale for incorporation of PMAS

The Group intends to consolidate the distribution business segment under PMAS, instead of Raffles Brands, in order to facilitate efficient business, operational, and financial and accounting workflows.

The Company wishes to highlight that as set out in the announcement dated 29 October 2019 in respect of the Company's entry into the joint venture agreement in respect of Raffles Brands, Raffles Brands is principally engaged in the business of developing, franchising and management of various food and beverage brands, including the central procurement of contractors, equipment, payment systems, supplies, services, utensils and other related products and services.

As such, to ensure a clear division of business segments within the Group, the Company is of the view that it would be in the interest of the Group to incorporate a new company, being PMAS, to undertake the distribution business and to hold all relevant businesses under this new business segment (subject to the relevant shareholder approval(s) being obtained). As set out in the 29 January Announcement, the distribution business to be undertaken by PMAS (in place of Raffles Brands) would include the distribution of:

- (i) health supplements and other health related products;
- (ii) food and beverage products and brands in the PRC and ASEAN region, including ingredients, consumables, concepts and related supplies for distribution to various food & beverage outlets/other distributors.; and
- (iii) such other related products, which include the Products contemplated under the Master Agreement and other products from such other supplier as may be sourced by the Group from time to time,

subject to relevant shareholder approval(s) being obtained by the Company. The Company envisages that PMAS may use e-commerce platforms to sell and distribute the foregoing products.

In addition, after considering the Company's present resources, the Company is of the view that it has sufficient resources to carry out the distribution business under its wholly-owned subsidiary, being PMAS. Shareholders may wish to refer to the 29 January Announcement for more details on the distribution business, and the relevant approval(s) of the shareholders to be obtained.

3. ENTRY INTO THE NOVATION DEED

3.1 Key terms of the Novation Deed

Pursuant to the Novation Deed, Kaifeng Jufeeel, Raffles Brands and PMAS (collectively, the “**Parties**”) have agreed, among others, that:

- (i) with effect on and from the date of the Novation Deed (the “**Effective Date**”), in consideration of the mutual undertakings of the Parties under the Novation Deed, all of Raffles Brands’ rights, powers, titles, interests, benefits, obligations and liabilities in, to and under the Master Agreement (the “**Transferred Rights and Obligations**”) shall be transferred to PMAS;
- (ii) with effect on and from the Effective Date, PMAS shall assume the Transferred Rights and Obligations and shall perform all of Raffles Brands’ obligations under the Master Agreement and shall be bound by the provisions of the Master Agreement in every way immediately on and from the Effective Date as if it had originally been named as a party to the Master Agreement;
- (iii) Kaifeng Jufeeel consents to the transfer of the Transferred Rights and Obligations by Raffles Brands to PMAS; and
- (iv) with effect on and from the Effective Date:
 - (a) Kaifeng Jufeeel and Raffles Brands release each other from all future obligations to the other under the Master Agreement;
 - (b) each of Kaifeng Jufeeel and Raffles Brands releases and discharges the other from all claims and demands under or in connection with the Master Agreement, whether arising before or on the Effective Date; and
 - (c) each of Kaifeng Jufeeel and PMAS shall have the right to enforce the Master Agreement and to pursue any claims and demands under the Master Agreement against the other with respect to matters arising before, on or after the Effective Date as though PMAS was the original party to the Master Agreement instead of Raffles Brands.

Shareholders may wish to refer to the 29 January Announcement for more information on the key terms of the Master Agreement.

3.2 Rationale for the entry into the Novation Deed

As set out above, the Company intends to consolidate the distribution business under PMAS, in order to facilitate efficient business, operational and financial / accounting workflow and to ensure a clear division of business segments within the Group.

As stated in the 29 January Announcement, Kaifeng Jufeeel had initially appointed Raffles Brands as its exclusive distributor on the basis that Raffles Brands has, through Ms. Abigail Zhang (being the joint venture partner holding 49% shares in Raffles Brands and a director of Raffles Brands) (“**JV Partner**”), an extensive business network in the PRC.

Notwithstanding the foregoing, Kaifeng Jufeeel understands the operational, business, and financial need for the Group to consolidate its distribution business segment and has thus agreed to enter into the Novation Deed. Kaifeng Jufeeel is also confident of the Group’s business network in PRC, which the Group has developed over the past few years since its expansion of the BOP business in the PRC, and is therefore agreeable to appoint PMAS as its distributor in respect of the Products, in replacement of Raffles Brands.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 4.1** Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company, as well as their respective associates, has any direct or indirect interest in the incorporation of PMAS, the Novation Deed and the Master Agreement, other than through their respective shareholdings (if any) in the Company.
- 4.2** As set out in the 29 January Announcement, Mr. Zhang will abstain from deliberating and making any recommendation to the Board and shareholders in respect of the resolutions in connection with the Proposed IPT Mandate, the entry into the Master Agreement and the Proposed Expansion of Business. In addition to the foregoing, Mr Zhang will also abstain from deliberating and making any recommendation to the Board in respect of the entry by PMAS and Raffles Brands into the Novation Deed. Mr Zhang will also abstain from deliberating and making any recommendation to the board of directors of PMAS in respect of the Novation Deed and the Master Agreement.
- 4.3** Kaifeng Jufel and Mr. Zhang will abstain and ensure that their respective associates will abstain from voting on the resolutions in connection with the Proposed IPT Mandate and the Proposed Expansion of Business.

5. EXTRAORDINARY GENERAL MEETING AND CIRCULAR

A circular (the “**Circular**”) to shareholders containing, inter alia, further information on the Proposed IPT Mandate and the Proposed Expansion of Business to seek shareholders’ approval for the foregoing resolutions, together with the notice of extraordinary general meeting to be convened, will be published by the Company on SGXNet in due course. In the meantime, shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests until they or their advisers have considered the information and recommendations to be set out in the Circular.

6. DIRECTORS’ RESPONSIBILITY STATEMENT

The Board collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the incorporation of PMAS, the Novation Deed, the Company and its subsidiaries, and the Board are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Board has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. DOCUMENTS FOR INSPECTION

- 7.1** A copy of the Novation Deed and Master Agreement will be made available for inspection during normal business hours at the registered office of the Company at 680 Upper Thomson Road #02-01 Singapore 787103, for a period of three (3) months from the date of this announcement.
- 7.2** In light of the prevailing regulations due to the COVID-19 situation, any shareholder who wishes to inspect the documents should contact the Company at the email address info@gsholdings.com at least three (3) working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents. Shareholders will need to identify themselves by stating their full name as it appears on their CDP/CPF/SRS

share records, contact number and NRIC/Passport/UEN number and state the manner in which they hold their shares in the Company (e.g. via CDP or SRS).

8. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep shareholders informed, as and when there are further material updates and developments in respect of the Novation Deed and Master Agreement.

9. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, 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 or other professional advisors.

BY ORDER OF THE BOARD

Pang Pok
Chief Executive Officer and Executive Director

8 June 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 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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