



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

**RESPONSE TO THE SGX-ST'S QUERY IN RESPECT OF
THE ANNOUNCEMENT DATED 4 FEBRUARY 2020**

The Board of Directors of GS Holdings Limited, (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 4 February 2020 (the “**Announcement**”).

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Announcement.

The Company sets out below the queries raised by the SGX-ST in respect of the Announcement, and its responses to the queries.

Query 1:

In the profit guidance, "the Group is expected to report a significant increase in revenue and hence net profit for FY2019 as compared to FY2018". This is subject to the finalization of the Tax Consultation. Due to the recent outbreak of the Coronavirus, all the 14 outlets have closed temporarily since the CNY holidays, in compliance with the directives issued by the PRC authorities.

In view of the above, how does the Board view the collectability of the remaining RMB 120 million?

Company’s Response:

As at the date of this Announcement, the Board is of the view that the Company is able to collect the outstanding Service Fee of RMB 120,000,000 in due course, subject to any unforeseen circumstances not within the control of the Group.

In the event that there is any change in circumstances, which materially affects the collection of the outstanding Service Fees, the Company will provide shareholders with relevant updates through announcements on SGXNet.

Query 2:

Does the Company intend to provide a provision for the RMB 120 million? Please provide basis.

Company’s Response:

As at the date of this announcement, the Company does not intend to make any provisions in respect of the outstanding Service Fees amounting to RMB 120,000,000, for the following reasons:

- (i) In the interest of tax savings, Wish’s tax advisors, being a Big 4 accounting firm in Beijing, PRC, has been appointed to consult, discuss and confirm the correct amount of taxes payable by Wish in respect of the outstanding Service Fees, with the tax authorities in PRC. Upon the confirmation from the tax authorities in PRC of the amount of taxes to be paid by Wish, Wish will inform the Secured Outlets to make payment of the outstanding Service Fees; and
- (ii) The Secured Outlets had been operating in the ordinary course of business, and Wish had been providing the Secured Outlets with BOP Services, until the temporary closure due to the

outbreak of the Novel Coronavirus (nCoV-2019). Furthermore, none of the Secured Outlets has requested to terminate their respective BOP Service Agreements. In view of the foregoing, and as at the date of this announcement, the Group is not aware of any fact or information which may indicate that any of the Secured Outlets is facing any financial difficulties or unable to pay the outstanding Service Fees.

In view of the reasons set out above, the Company believes that Wish will be able to collect the outstanding Service Fees in due course. The Company wishes to highlight that the delay in receipt of the outstanding Service Fees is due to the ongoing Tax Consultations, which is undertaken to ensure that Wish does not pay higher taxes than is required by the applicable tax laws, in respect of the outstanding Service Fees amounting to RMB 120,000,000.

BY ORDER OF THE BOARD

Pang Pok
Chief Executive Officer and Executive Director

5 February 2020

*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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