

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

UPDATE ON BOP SERVICES BUSINESS

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 announcements dated, among others, 8 March 2019, 29 April 2019, 11 July 2019, 18 July 2019, 4 February 2020, 5 February 2020, 26 March 2020, 14 April 2020, 26 June 2020 and 2 October 2020 (collectively, the “**Announcements**”) in respect of the branding, operation and procurement (“**BOP**”) business of the Company’s subsidiary, Wish Hospitality Holdings Private Limited (“**Wish**”).

Unless otherwise defined herein, all capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Announcements.

A) Update on Tax Consultations

As mentioned in the Announcement dated 2 October 2020, the Company’s appointed tax consultant has reached an agreement with the relevant PRC tax authorities on the amount of tax payable on the Outstanding Service Fee from 3 Secured Outlets, such Outstanding Service Fee amounting to RMB 24 million in aggregate (“**Partial Outstanding Service Fee**”). The Company wishes to inform that the Partial Outstanding Service Fee has been paid / will be payable as follows:

- (i) relevant taxes payable in connection with the foregoing Partial Outstanding Service Fee amounting to RMB 3.2 million will be paid by the 3 Secured Outlets to the tax authorities directly by the end of November 2020;
- (ii) an amount of RMB 10.48 million has been received by Wish Shanghai as at the date of this announcement; and
- (iii) the Group expects to receive the remaining amount of RMB10.32 million within the week of 16 November 2020. The Company will provide an update once the foregoing amount has been received.

The Tax Consultations for the remaining 11 Secured Outlets are still ongoing, to determine the requisite tax payable on the respective Outstanding Service Fee from such 11 Secured Outlets, amounting to RMB 96 million in aggregate. As set out in the Announcement dated 2 October 2020, the Group targets to complete such Tax Consultations by 31 December 2020. The Company wishes to inform that as the 14 Secured Outlets belong to different tax jurisdictions within PRC, the resolution of the Tax Consultations in relation to each Secured Outlet will occur at differing times.

B) Proposed appointment of Kaifeng Jufel as authorised representative to collect Outstanding Service Fee

In respect of the appointment of Kaifeng Jufeel as authorised representative to collect the Outstanding Service Fee, the Company wishes to update shareholders that the Definitive Documents are in the process of being finalised. In particular, the Mortgage over the Mortgaged Property held by Kaifeng Jufeel, which is granted in favour of Wish Shanghai, is being registered with the PRC regulatory authority. The Company has been informed by its PRC legal advisers that the Mortgage is required to be approved by the relevant PRC regulatory authority to ensure its validity and enforceability under PRC laws, before the Mortgage can be signed by the parties. Once the Mortgage has been registered with the relevant PRC regulatory authority, the relevant parties will enter into the Definitive Documents. Please refer to the Announcement dated 2 October 2020 for more information on the Definitive Documents and the appointment of Kaifeng Jufeel as authorised representative to collect Outstanding Service Fee.

Termination of Arrangement with Ms. Zhang

Once the Definitive Documents have been entered into and the Mortgage has been successfully registered with the relevant PRC regulatory authority, the Company and Wish intend to terminate the existing arrangements in connection with the appointment of Ms. Zhang as authorised representative to collect the Outstanding Service Fee on behalf of Wish, including, among others, the documents pertaining to such authorisation and the existing securities procured / provided by Ms. Zhang (the “**Existing Arrangement**”).

Guarantees Provided by Directors

As announced on 2 October 2020, with reference to the Guarantees provided by certain directors as announced on 26 March 2020 and 14 April 2020, the Company had previously agreed with Mr. Zhang and Mr. Pang Pok on the amendment of personal guarantees furnished by them in connection with the Existing Arrangement. As announced on 2 October 2020, under the foregoing amendment, each of Mr. Zhang and Mr. Pang guarantees (i) the transfer to the Company/Wish of the Outstanding Service Fee collected by Ms Zhang, and (ii) the collection by Ms Zhang of the entire Outstanding Service Fee by 15 November 2020, instead of the previous deadline of 15 October 2020.

However, in view of the further time required for the registration of the Mortgage and the impending execution of the Definitive Documents thereafter, the Company has further agreed with Mr. Zhang and Mr. Pang Pok on the further amendment of the personal guarantees furnished by them in connection with the Existing Arrangement, such that each of Mr. Zhang and Mr. Pang guarantees (i) the transfer to the Company/Wish of the Outstanding Service Fee collected by Ms Zhang, and (ii) the collection by Ms Zhang of the entire Outstanding Service Fee by 31 December 2020, instead of the previous extended deadline of 15 November 2020.

The personal guarantee granted by Mr. Liu Changsheng to secure the transfer to the Company / Wish of the Outstanding Service Fee collected by Ms Zhang also remains effective until the termination of the Existing Arrangement.

Future Updates and Cautionary Statement

The Company will provide an update as soon as the Company, Wish, Wish Shanghai, Kaifeng Jufeel, and Mr. Zhang have entered into the Definitive Documents, and when the Mortgage has been registered. The Company will also provide an update when the remaining Outstanding Service Fee has been fully or partially received by Wish Shanghai. As set out in the Company’s announcement dated 29 April 2019, the Company will continue to provide updates as and when (i) the Service Fee payable pertaining to new BOP Services Agreement(s) entered into by Wish, on an accumulated basis, is RMB 30,000,000 or more, or (ii)

material developments such as litigation or termination/dissolution of the Company's joint venture in respect of Wish occurs. 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

16 November 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 statements or opinions made or reports contained in this announcement.

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