



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**”) 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, 2 October 2020, 16 November 2020, 7 December 2020 and 3 January 2021 (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.

Update on the proposed appointment of Kaifeng Jufei as authorised representative to collect Outstanding Service Fee

In respect of the appointment of Kaifeng Jufei as authorised representative to collect the Outstanding Service Fee as announced on 16 November 2020, the Company wishes to update shareholders that the relevant PRC legal advisers have informed the Company that the Mortgage has been duly registered by the relevant PRC regulatory authority to ensure its validity and enforceability under PRC law, as at the date of this announcement, and Wish has received the relevant copies of certificates of registration. Accordingly, the Mortgage has been signed by the parties.

The Company also wishes to inform that, pursuant to a valuation performed by the independent property valuers engaged by Wish in PRC, the valuation of the Mortgaged Properties, which consists of certain land and factory buildings in Kaifeng City, Henan, PRC held by Kaifeng Jufei, amounts to approximately RMB 221 million. In appointing the independent property valuers, the Board has considered that the independent property valuer has adequate experience of more than 5 years, good credentials and track record.

Signing of Definitive Documents

The Board also wishes to announce that, as at the date of this announcement, in view of the registration of the Mortgage, the relevant parties have entered into the Definitive Documents in connection with the appointment of Kaifeng Jufei as authorised representative to collect the Outstanding Service Fee. As set out in the Announcement dated 2 October 2020, the Definitive Documents consists of the following:

Provided By	Description
Kaifeng Jufei	A deed of appointment and undertaking (“ Deed of Appointment ”) governed by Singapore law, to appoint Kaifeng Jufei as authorised representative to collect the Outstanding Service Fee from the 14 Secured Outlets for and on behalf of Wish. The authorisation, when granted, will be valid for a period of 90 days (the

Provided By	Description
	<p>“Authorisation Period”) from the date of the Performance Guarantee Agreement (as defined below). Under the Deed of Appointment, Kaifeng Jufeel shall procure that the Outstanding Service Fee is collected and transferred to the relevant account of Wish Shanghai within 90 days from the date of the Performance Guarantee, or such later date as may be agreed to by Wish and the Company in their sole and absolute discretion.</p>
Kaifeng Jufeel	<p>A performance guarantee agreement (“Performance Guarantee Agreement”) governed by PRC laws to be entered into between Kaifeng Jufeel and Wish Shanghai. Pursuant to the Performance Guarantee Agreement, Kaifeng Jufeel confirms that it is authorised to collect the Outstanding Service Fee, and undertakes to pay the amount of the Outstanding Service Fee, to Wish Shanghai within the Authorisation Period. In the event Kaifeng Jufeel is unable to make payment of the Outstanding Service Fee within the Authorisation Period for valid reasons, Kaifeng Jufeel should write to Wish Shanghai 10 days in advance (excluding public holidays) to seek Wish Shanghai’s consent for an extension of time to make payment.</p>
Kaifeng Jufeel	<p>A mortgage over the land and factory buildings (the “Mortgaged Properties”) in Kaifeng City, Henan, PRC held by Kaifeng Jufeel, in favour of Wish Shanghai (the “Mortgage”), which is governed by PRC laws. Pursuant to the foregoing mortgage agreement, Wish Shanghai shall be entitled to enforce the Mortgage and dispose of the Mortgage Properties to recover the Outstanding Service Fee and enforcement costs incurred in their entirety in the event that Kaifeng Jufeel fails to perform its obligations pursuant to the Performance Guarantee Agreement.</p> <p>As stated above, the relevant PRC legal advisers have informed the Company that the Mortgage has been duly registered by the relevant PRC regulatory authority to ensure its validity and enforceability under PRC law, as at the date of this announcement, and Wish has received the relevant copies of certificates of registration. Accordingly, the Mortgage has been signed by the parties.</p>
Kaifeng Jufeel, Mr. Zhang (as shareholder and legal representative of Kaifeng Jufeel), and Henan Jufeel (as shareholder of Kaifeng Jufeel)	<p>Commitment letters governed by PRC laws to be executed by each of Kaifeng Jufeel, Henan Jufeel, and Mr. Zhang in favour of Wish Shanghai, to ensure the fulfilment of obligations of Kaifeng Jufeel under the Performance Guarantee Agreement, and to unconditionally assist with the enforcement of the Mortgage in the event the Kaifeng Jufeel fails to fulfil its obligation under the Performance Guarantee Agreement.</p>
Kaifeng Jufeel	<p>Deed of trust governed by Singapore law to be executed by Kaifeng Jufeel in favour of Wish, as beneficiary, to confirm that all Outstanding Service Fee collected by Kaifeng Jufeel are held on trust for and on behalf of Wish.</p>
Mr. Zhang	<p>Personal guarantee governed by Singapore law to be executed by Mr. Zhang in favour of the Company to secure and guarantee the obligations of Kaifeng Jufeel, Henan Jufeel and himself owing to the relevant Group Company under the relevant foregoing agreements.</p>

Pursuant to the Performance Guarantee Agreement, Kaifeng Jufee shall procure the payment of the Outstanding Service Fee to Wish Shanghai within the Authorisation Period (i.e. within the 90 days from 22 January 2021, being the date of the Performance Guarantee Agreement) or such extended time as Wish Shanghai may consent to. Similarly, under the Deed of Appointment, Kaifeng Jufee shall procure that the Outstanding Service Fee is collected and transferred to the relevant account of Wish Shanghai within 90 days from 22 January 2021, being the date of the Performance Guarantee, or such later date as may be agreed to by Wish and the Company in their sole and absolute discretion. Accordingly, the Company expects to receive the Outstanding Service Fee before the end of the Authorisation Period, which is 22 April 2021, in accordance with the Performance Guarantee Agreement and the Deed of Appointment, barring any unforeseen circumstances.

The Company wishes to highlight that, as stated in the Announcement dated 2 October 2020, Kaifeng Jufee will proceed with collecting the Outstanding Service Fee and will assist and co-operate with Wish Shanghai to complete the requisite administrative procedures, so as to obtain clearance from the banks and the PRC tax authorities, for Kaifeng Jufee to remit the Outstanding Service Fee into the bank account of Wish Shanghai. Wish will concurrently proceed with the Tax Consultations so as to complete the relevant tax payment and foreign exchange remittance procedures in respect of the Outstanding Service Fee.

The Company wishes to inform shareholders that, as set out in the Announcement dated 7 December 2020, the Outstanding Service Fee, which were due as at 31 December 2019, amounts to RMB 96.0 million as at the date of this announcement.

Termination of Existing Arrangement with Ms. Zhang and Guarantees Provided by Directors

As the Definitive Documents have been entered into and the Mortgage has been successfully registered with the relevant PRC regulatory authority, the Company and Wish will terminate the Existing Arrangement, including documents pertaining to the authorisation of Ms. Zhang as authorised representative to collect the Outstanding Service Fee, and the existing securities procured / provided by Ms. Zhang. In addition, the personal guarantees provided by Mr. Zhang and Mr. Pang Pok, which guarantee the (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 February 2021, will be terminated. 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 will also be terminated upon the termination of the Existing Arrangement.

Update on Tax Consultations

The Board also wishes to update the shareholders that 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 stated in the Announcement dated 3 January 2021, the Group targets to complete such Tax Consultations by 31 March 2021. 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.

Further Updates and Cautionary Statement

The Board will make relevant update announcements in relation to the BOP business as and when there are material developments on the same.

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

26 January 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 statements or opinions made or reports contained in this announcement.

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