

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

(1) UPDATE ON BOP SERVICES BUSINESS; AND

(2) APPLICATION FOR FURTHER EXTENSION OF TIME OF THIRTY (30) DAYS FROM 29 JUNE 2021 TO 29 JULY 2021 FOR THE COMPANY TO HOLD ITS ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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:

- (i) the Company’s announcements dated 2 October 2020, 16 November 2020, 3 January 2021, 26 January 2021, 27 April 2021 and 29 April 2021, in respect of the branding, operation and procurement (“**BOP**”) business of the Company’s subsidiary, Wish Hospitality Holdings Private Limited (“**Wish**”); and
- (ii) the Company’s announcements dated 26 March 2021 and 15 April 2021 in relation to the submission of an application for an extension of time of sixty days to hold its AGM for FY2020 from the current deadline of 30 April 2021 to 29 June 2021,

(collectively, the “**Announcements**”).

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

1. UPDATE IN RESPECT OF THE OUTSTANDING SERVICE FEE RECEIVED ON 29 APRIL 2021

- 1.1** On 29 April 2021, the Company announced that the Outstanding Service Fees of RMB100 million had been received by Wish Shanghai, and such receipt has been verified by the management of the Company.
- 1.2** The Board wishes to inform Shareholders that, on 11 June 2021, the Company’s auditor has informed the Board that, in the process of confirming with the bank in respect of the Outstanding Service Fees collected, the Company’s auditors had been made aware that while the Outstanding Service Fees amounting to RMB100 million had been received in Wish Shanghai’s bank account, there is an existing encumbrance on the foregoing amount of RMB100 million.
- 1.3** Upon further inquiry, the Board (save for Mr. Zhang) has been made to understand that the foregoing encumbrance had arisen under the following circumstances: -
 - (i) With a view to ensure that Kaifeng Jufel and Mr. Zhang could fulfil their respective obligations under the Definitive Documents to procure the collection and payment of Outstanding Service Fees to Wish Shanghai, Kaifeng Jufel has arranged for a loan from a third party (the “**Third Party**”) to be provided to 11 Secured Outlets so that such Secured Outlets can pay the Outstanding Service Fees of RMB100 million to Wish Shanghai. Shareholders may wish to refer to the Announcement dated 2 October 2020 for more information on the obligations of Kaifeng Jufel and Mr. Zhang under the Definitive Documents.

- (ii) Kaifeng Jufee was to act as guarantor for the 11 Secured Outlets in respect of the foregoing loan provided by the Third Party, through the grant of a mortgage over the Mortgaged Properties held by Kaifeng Jufee in favour of the Third Party. However, Kaifeng Jufee had already granted an existing mortgage over the Mortgaged Properties (the “**Mortgage**”) in favour of Wish Shanghai. Accordingly, it was intended that upon the disbursement of the amount of RMB100 million to Wish Shanghai, the existing Mortgage over the Mortgaged Properties shall be promptly discharged, and thereafter, a new mortgage over the Mortgaged Properties shall be immediately granted in favour of the Third Party (the “**New Third Party Mortgage**”). Shareholders may wish to refer to the Announcements dated 2 October 2020, 16 November 2020, 3 January 2021 and 26 January 2021 for more information on the Mortgage granted in favour of Wish Shanghai.
- (iii) Due to the domestic travel restrictions in PRC during that time and Mr. Zhang's urgent business and personal commitments, Mr. Zhang had procured Mr. Liu Changsheng, who is a consultant to the Group and a director and legal representative of Wish Shanghai and Wish, to attend to the foregoing administrative processes in respect of the discharge of the existing Mortgage upon the payment of the Outstanding Service Fee of RMB100 million into Wish Shanghai's bank account and the creation / registration of the New Third Party Mortgage.
- (iv) However, the discharge of the Mortgage granted in favour of Wish Shanghai was not effected promptly after the Outstanding Service Fee of RMB100 million had been paid into Wish Shanghai's account. Accordingly, while the Mortgage has been discharged as at the date of this Announcement, the grant and registration of the New Third Party Mortgage remains uncompleted. As security for its loan, the Third Party created an encumbrance over the Outstanding Service Fee of RMB100 million (the “**Relevant Encumbrance**”), until the New Third Party Mortgage had been registered.
- (v) As mentioned above, the Board (save for Mr. Zhang) was not aware of the Relevant Encumbrance over the amount of RMB100 million received by Wish Shanghai, until it was brought to the Board's attention by the auditors on 11 June 2021.
- (vi) In response to the Audit and Risk Committee's queries on the reasons for not notifying the Board earlier of the Relevant Encumbrance, Mr. Zhang responded that:
 - (a) he had believed that (1) the discharge of the existing Mortgage would take place promptly upon the payment of the foregoing Outstanding Service Fee of RMB100 million into Wish Shanghai's bank account, and the registration of the New Third Party Mortgage could occur immediately after, and (2) the discharge and creation of such mortgages were standard administrative processes of Kaifeng Jufee. As such, Mr. Zhang was not aware of the need to inform the Board of the foregoing procedures; and
 - (b) as Mr Liu Changsheng was handling the administrative process pertaining to the mortgages, Mr. Zhang was not aware that the Relevant Encumbrance remained undischarged as at 11 June 2021 and failed to appreciate the significance of the Relevant Encumbrance.

1.4 The Board wishes to highlight that the Company will be monitoring closely discharge of the Relevant Encumbrance over the foregoing amount of RMB100 million, which is currently in Wish Shanghai's bank account.

2. APPLICATION FOR FURTHER EXTENSION OF TIME OF THIRTY DAYS FROM 29 JUNE 2021 TO 29 JULY 2021 FOR THE COMPANY TO HOLD ITS ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2.1 First Extension

As set out in the Company's announcement dated 15 April 2021, the Company has received approval from the SGX-ST for an extension of time to hold its AGM by 29 June 2021 (the "**First Extension**"), subject to the Waiver Conditions being met. The Company had also announced that it had, on 5 April 2021, obtained the approval of ACRA for the grant of an extension of time to (i) hold its AGM for FY2020 by 29 June 2021, and (ii) file its annual return in respect of FY2020 by 30 July 2021.

2.2 Second Extension

The Company wishes to announce that it is submitting, via its Sponsor, to the SGX-ST for a further extension of time of thirty (30) days from the current deadline of 29 June 2021 to 29 July 2021 for the Company to hold its AGM for FY2020 (the "**Further Extension Application**"). The Company is also concurrently submitting an application to ACRA for an extension of time of thirty (30) days to hold the AGM in respect of FY2020 by 29 July 2021.

2.3 Rationale for the Further Extension Application

The Further Extension Application is being submitted as the management of the Company has ascertained from discussions with the Company's auditors that the audit of the financial statements of the Group for FY2020 would not be completed in time for the AGM to be convened by 29 June 2021, as there are still outstanding matters to be provided to the Auditors for them to complete the audit. The key outstanding matters include the completion of the audit of the Outstanding Service Fees of RMB100 million, in view of the existing Relevant Encumbrance which remains to be discharged and released, as set out in **paragraph 1.3** above. The Company expects the discharge and release of the Relevant Encumbrance to be completed by 30 June 2021.

3. FURTHER UPDATES

The Company will keep Shareholders updated on any developments and make the appropriate announcements as and when there are any material updates on (i) the Further Extension Application, (ii) the discharge and release of the Relevant Encumbrance over the Outstanding Service Fee amounting to RMB100 million, and (iii) the BOP business.

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 and other professional advisers.

By Order of the Board
Pang Pok
Chief Executive Officer and Executive Director

13 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 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 statements or opinions made or reports contained in this announcement.

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