



GS HOLDINGS LIMITED

(Incorporated in Singapore on 19 September 2014)

(Company Registration Number: 201427862D)

**Unaudited Condensed Interim Financial Statements
For the Three Months and Full Year Ended 31 December 2022**

The Company is required under Catalist Rule 705(2) to report its financial statements quarterly.

This announcement has been prepared by GS Holdings Limited (the “**Company**”) and its contents have been reviewed by UOB Kay Hian Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**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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A – CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and full year ended 31 December 2022

	Note	Group 3-month Period Ended 31 Dec 2022 S\$'000	Group 3-month Period Ended 31 Dec 2021 S\$'000	Increase/ (Decrease) %	Group 12-month Year Ended 31 Dec 2022 S\$'000	Group 12-month Year Ended 31 Dec 2021 S\$'000	Increase/ (Decrease) %
Revenue	4	1,850	(1,687)	N.M	7,104	5,964	19
Cost of sales		(1,340)	(1,643)	(18)	(5,655)	(5,973)	(5)
Gross profit/(Loss)		510	(3,330)	N.M	1,449	(9)	N.M.
Other income		191	183	4	688	874	(21)
Administrative expenses		(1,360)	(656)	N.M	(4,143)	(3,628)	14
Net impairment loss on financial assets		(10)	(7,481)	N.M	(10)	(7,481)	N.M
Finance costs		5	(51)	N.M	(109)	(194)	(44)
Loss before tax	5	(664)	(11,335)	(94)	(2,125)	(10,438)	(80)
Income tax credit	7	1	563	N.M	9	18	(50)
Loss for the period/year		(663)	(10,772)	(94)	(2,116)	(10,420)	(80)
Loss attributable to:							
Equity holders of the Company		(631)	(8,711)	(93)	(1,983)	(8,859)	(78)
Non-controlling interests		(32)	(2,061)	(98)	(133)	(1,561)	(91)
Loss for the period/year		(663)	(10,772)	(94)	(2,116)	(10,420)	(80)
Loss for the period/year		(663)	(10,772)	(94)	(2,116)	(10,420)	(80)
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		(482)	20	N.M.	(1,130)	790	N.M.
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		(121)	44	N.M.	(284)	247	N.M.
Total comprehensive loss for the period/year		(1,266)	(10,708)	(88)	(3,530)	(9,383)	(62)
Total comprehensive loss attributable to:							
Equity holders of the Company		(1,112)	(8,691)	(87)	(3,113)	(8,069)	(61)
Non-controlling interests		(154)	(2,017)	(92)	(417)	(1,314)	(68)
Total comprehensive loss for the period/year		(1,266)	(10,708)	(88)	(3,530)	(9,383)	(62)
Loss per share (cents)							
- Basic	8	(0.33)	(4.66)		(1.05)	(4.74)	
- Diluted	8	(0.33)	(4.66)		(1.05)	(4.74)	

N.M – Not Meaningful

The accompanying notes form an integral part of these condensed interim financial statements.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group As at 31 Dec 2022 S\$'000	Group As at 31 Dec 2021 S\$'000	Company As at 31 Dec 2022 S\$'000	Company As at 31 Dec 2021 S\$'000
	Note				
ASSETS					
Non-current assets					
Property, plant and equipment	10	1,315	1,901	5	10
Investment properties	11	960	2,170	-	-
Investments in subsidiaries	12	-	-	4,494	9,112
Intangible assets	13	4,691	4,689	-	-
		<u>6,966</u>	<u>8,760</u>	<u>4,499</u>	<u>9,122</u>
Current assets					
Inventories		64	56	-	-
Trade and other receivables	14	19,833	21,702	2,128	2,329
Cash and bank balances	15	5,016	6,036	163	102
		<u>24,913</u>	<u>27,794</u>	<u>2,291</u>	<u>2,431</u>
Total assets		<u>31,879</u>	<u>36,554</u>	<u>6,790</u>	<u>11,553</u>
EQUITY					
Equity attributable to owners of the Company					
Share capital	19	21,488	21,488	21,488	21,488
Reserves	20	(5,498)	(3,681)	-	687
Retained earnings/(accumulated losses)		<u>924</u>	<u>2,220</u>	<u>(16,533)</u>	<u>(11,304)</u>
Equity attributable to equity holders of the Company		<u>16,914</u>	<u>20,027</u>	<u>4,955</u>	<u>10,871</u>
Non-controlling interests		<u>2,953</u>	<u>3,370</u>	<u>-</u>	<u>-</u>
Total equity		<u>19,867</u>	<u>23,397</u>	<u>4,955</u>	<u>10,871</u>
LIABILITIES					
Non-current liabilities					
Loans and borrowings	17	1,738	3,087	-	-
Deferred tax liabilities		<u>45</u>	<u>48</u>	<u>-</u>	<u>-</u>
		<u>1,783</u>	<u>3,135</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	18	3,508	2,495	1,835	682
Loans and borrowings	17	1,594	1,913	-	-
Tax payables		<u>5,127</u>	<u>5,614</u>	<u>-</u>	<u>-</u>
		<u>10,229</u>	<u>10,022</u>	<u>1,835</u>	<u>682</u>
Total liabilities		<u>12,012</u>	<u>13,157</u>	<u>1,835</u>	<u>682</u>
Total equity and liabilities		<u>31,879</u>	<u>36,554</u>	<u>6,790</u>	<u>11,553</u>

The accompanying notes form an integral part of these condensed interim financial statements.

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2022

Group	← Attributable to equity holders of the Company →							Total Equity Attributable to Owners of the Company S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Share Options Reserves S\$'000	Warrants Reserve S\$'000	Currency Translation Reserve S\$'000	Merger Reserve S\$'000	Asset Revaluation Reserve S\$'000	Retained Earnings S\$'000			
At 1 January 2022	21,488	687	-	1,324	(8,611)	2,919	2,220	20,027	3,370	23,397
Loss for the financial year	-	-	-	-	-	-	(1,983)	(1,983)	(133)	(2,116)
Currency translation differences arising from consolidation	-	-	-	(1,130)	-	-	-	(1,130)	(284)	(1,414)
Total comprehensive loss for the year	-	-	-	(1,130)	-	-	(1,983)	(3,113)	(417)	(3,530)
Expired share options not exercised	-	(687)	-	-	-	-	687	-	-	-
At 31 December 2022	21,488	-	-	194	(8,611)	2,919	924	16,914	2,953	19,867
At 1 January 2021	20,469	1,244	3,882	534	(8,571)	2,919	6,600	27,077	4,684	31,761
Loss for the financial year	-	-	-	-	-	-	(8,859)	(8,859)	(1,561)	(10,420)
Currency translation differences arising from consolidation	-	-	-	790	-	-	-	790	247	1,037
Total comprehensive income/(loss) for the year	-	-	-	790	-	-	(8,859)	(8,069)	(1,314)	(9,383)
Strike off of a subsidiary	-	-	-	-	(40)	-	40	-	-	-
Issuance of new shares pursuant to exercise of warrants	1,020	-	-	-	-	-	-	1,020	-	1,020
Share issue expense	(1)	-	-	-	-	-	-	(1)	-	(1)
Expired warrants not exercised	-	-	(3,882)	-	-	-	3,882	-	-	-
Expired share options not exercised	-	(557)	-	-	-	-	557	-	-	-
At 31 December 2021	21,488	687	-	1,324	(8,611)	2,919	2,220	20,027	3,370	23,397

The accompanying notes form an integral part of these condensed interim financial statements.

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2022

<u>Company</u>	Share Capital S\$'000	Warrant Reserve S\$'000	Share Options Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000
At 1 January 2022	21,488	-	687	(11,304)	10,871
Loss and total comprehensive loss for the financial year	-	-	-	(5,916)	(5,916)
Expired share options not exercised	-	-	(687)	687	-
At 31 December 2022	21,488	-	-	(16,533)	4,955
At 1 January 2021	20,469	3,882	1,244	(14,126)	11,469
Loss and total comprehensive loss for the financial year	-	-	-	(1,617)	(1,617)
Issuance of shares pursuant to exercise of warrants	1,019	-	-	-	1,019
Expired warrants not exercised	-	(3,882)	-	3,882	-
Expired share options not exercised	-	-	(557)	557	-
At 31 December 2021	21,488	-	687	(11,304)	10,871

The accompanying notes form an integral part of these condensed interim financial statements.

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Group 12-month Year Ended 31 Dec 2022 S\$'000	Group 12-month Year Ended 31 Dec 2021 S\$'000
Cash flows from operating activities		
Loss before tax	(2,125)	(10,438)
Amortisation of intangible assets	19	62
Depreciation charge on property, plant and equipment	675	929
Gain on disposal of property, plant and equipment	(35)	-
Gain on disposal of an investment property	(10)	-
Impairment loss on property, plant and equipment	270	-
Interest expenses	109	194
Net impairment loss of financial assets	10	7,481
Written off of inventories	-	-
Recovery of written off of property, plant and equipment	(3)	-
Unrealised foreign exchange loss	75	(125)
Fair value loss on investment properties	760	880
Operating cash flow before working capital changes	(255)	(1,017)
Changes in working capital:		
Inventories	(8)	(11)
Receivables	(21)	368
Payables	743	190
Currency translation adjustments	436	45
Cash generated from operations	895	(425)
Income tax refunded/(paid)	(5)	21
Net cash generated from/(used in) operating activities	890	(404)
Cash flow from investing activities		
Purchase of property, plant and equipment	(10)	(89)
Purchases of intangible assets	(21)	(22)
Proceeds from disposal of an investment property, net	216	-
Proceeds from disposal of property, plant and equipment, net	19	-
Receipt of consideration receivable for disposal of subsidiaries	-	570
Net cash generated from investing activities	204	459
Cash flow from financing activities		
Repayment of lease liabilities	(844)	(816)
Repayment of bank loans	(1,135)	(1,937)
Proceeds from borrowings	-	2,300
Loans from a controlling shareholder	350	-
Proceeds from issuance of new shares	-	1,020
Interest paid	(109)	(194)
Net cash (used in)/generated from financing activities	(1,738)	373
Net (decrease)/increase in cash and cash equivalents	(644)	428
Cash and cash equivalents at beginning of the year	6,036	5,606
Effects of foreign currency translation changes on cash and cash equivalents	(376)	2
Cash and cash equivalents at end of the year	5,016	6,036

The accompanying notes form an integral part of these condensed interim financial statements.

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2022

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group 12-month Year Ended 31 Dec 2022 S\$'000	Group 12-month Year Ended 31 Dec 2021 S\$'000
Cash and bank balances	5,016	27,246
Less: Restricted funds with encumbrance	-	21,210
Cash and cash equivalents per consolidated statement of cash flows	5,016	6,036

The accompanying notes form an integral part of these condensed interim financial statements.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying condensed interim financial statements.

1. Corporate information

GS Holdings Limited (the “**Company**”) (Company Registration Number 201427862D) is incorporated and domiciled in Singapore and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The registered office of the Company and principal place of business is at 680 Upper Thomson Road #02-01, Singapore 787103.

The principal activity of the Company is an investment holding company. The principal activities of the Group are:

- (a) Operation of food and beverages (“**F&B**”) business; and
- (b) Provision of branding, operations and procurement (“**BOP**”) services.

2. Basis of preparation

The condensed interim financial statements for the financial year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (“**SGD**” or “**S\$**”), which is the Company’s functional currency, and all values are rounded to the nearest thousand (“**S\$’000**”) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group has adopted all the new and revised SFRS(I)s and Singapore Financial Reporting Standards (International) Interpretations (“**SFRS(I) INT**”) that are relevant to its operations and effective for the current financial year. The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial performance or position of the Group and the Company.

2. Basis of preparation (Continued)

2.1 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there were no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10: Impairment of property, plant and equipment
- Note 11: Valuation of investment properties
- Note 12: Impairment of investments in subsidiaries
- Note 13: Impairment of intangible assets
- Note 14: Expected credit loss on trade and other receivables

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into business units based on its services for management purposes. The reportable segments are F&B, BOP services and investment holdings. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

(a) Reportable segment

	F&B S\$'000	BOP Services S\$'000	Investment Holdings S\$'000	Eliminations S\$'000	Total S\$'000
<u>1 October 2022 to 31 December 2022</u>					
<i>Segment revenue:</i>					
Sales to external customers	1,850	-	-	-	1,850
Inter-segment sales	16	-	-	(16)	-
Total revenue	1,866	-	-	(16)	1,850
Segment (loss)/profit	608	(115)	(1,169)	12	(664)
<u>1 January 2022 to 31 December 2022</u>					
<i>Segment revenue:</i>					
Sales to external customers	7,104	-	-	-	7,104
Inter-segment sales	103	-	-	(103)	-
Total revenue	7,207	-	-	(103)	7,104
Segment (loss)/profit	630	(455)	(2,300)	-	(2,125)
<i>Significant non-cash items:</i>					
Depreciation of property, plant and equipment	658	-	17	-	675
Net impairment losses on financial assets	10	-	-	-	10
Amortisation of intangible assets	19	-	-	-	19
Recovery of written off of property, plant and equipment	(3)	-	-	-	(3)
Fair value loss on investment properties	-	-	760	-	760
Segment assets	1,643	25,236	5,000	-	31,879
Segment assets includes:					
Additions to property, plant and equipment	10	-	-	-	10
Segment liabilities	(5,067)	(5,752)	(1,193)	-	(12,012)

4. Segment and revenue information (Continued)

(a) Reportable segment (Continued)

	F&B S\$'000	BOP Services S\$'000	Investment Holdings S\$'000	Eliminations S\$'000	Total S\$'000
<u>1 October 2021 to 30 December 2021</u>					
<i>Segment revenue:</i>					
Sales to external customers	1,650	(3,337)	-	-	(1,687)
Inter-segment sales	3	-	-	(3)	-
Total revenue	<u>1,653</u>	<u>(3,337)</u>	<u>-</u>	<u>(3)</u>	<u>(1,687)</u>
Segment (loss)/profit	180	(10,834)	(654)	(27)	(11,335)
<u>1 January 2021 to 31 December 2021</u>					
<i>Segment revenue:</i>					
Sales to external customers	5,964	-	-	-	5,964
Inter-segment sales	3	-	-	(3)	-
Total revenue	<u>5,967</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>5,964</u>
Segment (loss)/profit	(354)	(7,787)	(2,297)	-	(10,438)
<i>Significant non-cash items:</i>					
Depreciation of property, plant and equipment	898	-	31	-	929
Net impairment losses on financial assets	-	7,481	-	-	7,481
Amortisation of intangible assets	62	-	-	-	62
Fair value loss on investment properties	-	-	880	-	880
Segment assets	8,376	25,632	2,546	-	36,554
Segment assets includes:					
Additions to property, plant and equipment	<u>1,057</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>1,077</u>
Segment liabilities	(5,693)	(6,791)	(673)	-	(13,157)

4. Segment and revenue information (Continued)

(b) Disaggregation of revenue

	Franchise fee and royalty income S\$'000	Sale of food and beverage S\$'000	Rental income from food stalls S\$'000	Service income S\$'000	Total S\$'000
<u>1 October 2022 to 31 December 2022</u>					
Primary geographical markets					
Singapore	-	1,608	163	87	1,858
People's Republic of China ("PRC")	-	-	-	-	-
Brunei	8	(16)	-	-	(8)
	8	1,592	163	87	1,850
Timing of revenue recognition					
At a point in time	13	1,592	-	-	1,605
Over time	(5)	-	163	87	245
	8	1,592	163	87	1,850
<u>1 January 2022 to 31 December 2022</u>					
Primary geographical markets					
Singapore	1	6,054	579	442	7,076
People's Republic of China ("PRC")	-	-	-	-	-
Brunei	28	-	-	-	28
	29	6,054	579	442	7,104
Timing of revenue recognition					
At a point in time	29	6,054	-	-	6,083
Over time	-	-	579	442	1,021
	29	6,054	579	442	7,104

4. Segment and revenue information (Continued)

(b) Disaggregation of revenue (Continued)

	Franchise fee and royalty income S\$'000	Sale of food and beverages S\$'000	Provision of management consultancy services S\$'000	Rental income from food stalls S\$'000	Service income S\$'000	Total S\$'000
<u>1 October 2021 to 31 December 2021</u>						
Primary geographical markets						
Singapore	-	1,435	-	104	108	1,647
People's Republic of China ("PRC")	-	-	(3,337)	-	-	(3,337)
Brunei	(51)	27	-	-	-	(24)
Qatar	27	-	-	-	-	27
	(24)	1,462	(3,337)	104	108	(1,687)
Timing of revenue recognition						
At a point in time	(26)	1,462	-	-	-	1,436
Over time	2	-	(3,337)	104	108	(3,123)
	(24)	1,462	(3,337)	104	108	(1,687)
<u>1 January 2021 to 31 December 2021</u>						
Primary geographical markets						
Singapore	-	4,962	-	509	415	5,886
Brunei	24	27	-	-	-	51
Qatar	27	-	-	-	-	27
	51	4,989	-	509	415	5,964
Timing of revenue recognition						
At a point in time	35	4,989	-	-	-	5,024
Over time	16	-	-	509	415	940
	51	4,989	-	509	415	5,964

4. Segment and revenue information (Continued)

(c) Breakdown of sales and profit/(loss) after tax

	Group 31 Dec 2022 S\$'000	Group 31 Dec 2021 S\$'000	Increase / (Decrease) %
<u>Continuing operations</u>			
(a) Sales reported for first half year	3,446	6,247	(45)
(b) (Loss)/Profit after tax for first half year	(917)	1,006	N.M.
(c) Sales reported for second half year	3,658	(283)	N.M.
(d) Loss after tax for second half year	(1,199)	(11,426)	(90)

5. Loss before tax

	Group 3- month Period Ended 31 Dec 2022 S\$'000	Group 3- month Period Ended 31 Dec 2021 S\$'000	Increase/ (Decrease) %	Group 12- month Year Ended 31 Dec 2022 S\$'000	Group 12- month Year Ended 31 Dec 2021 S\$'000	Increase/ (Decrease) %
Loss before tax is stated after charging/(crediting):						
Amortisation of intangible assets	(3)	14	N.M.	19	62	(69)
Depreciation of property, plant and equipment	(41)	(32)	28	675	929	(27)
Fair value loss on investment properties	330	(20)	N.M.	760	880	(14)
Impairment loss on property, plant and equipment	270	-	N.M.	270	-	N.M.
Personnel expenses	927	818	13	3,298	3,518	(6)
Rental expenses/(income)	23	18	28	53	103	(49)
Finance costs	(5)	51	N.M.	109	194	(44)
Government grants and incentives	50	(58)	N.M.	(228)	(548)	(58)
Rental rebate	1	(70)	N.M.	(7)	(159)	(96)
Gain on disposal of property, plant and equipment	(4)	-	N.M.	(35)	-	N.M.

N.M – Not Meaningful

6. Related parties transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial period:

	Group 3-month Period Ended 31 Dec 2022 S\$'000	Group 3-month Period Ended 31 Dec 2021 S\$'000	Group 12-month Year Ended 31 Dec 2022 S\$'000	Group 12-month Year Ended 31 Dec 2021 S\$'000
With related parties				
Rental and foodstall related expense	46	28	232	93
With controlling shareholder of the Company				
Rental expense	99	90	396	313
Loans received during the period/year	350	-	350	-
With director of the Company/Group				
Provision of corporate secretarial and legal services	13	48	84	95

7. Income tax (credit)/expense

The Group calculates the income tax (credit)/expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit)/expense for the financial period ended 31 December 2022 and 2021 are:

	Group 3-month Period Ended 31 Dec 2022 S\$'000	Group 3-month Period Ended 31 Dec 2021 S\$'000	Group 12-month Year Ended 31 Dec 2022 S\$'000	Group 12-month Year Ended 31 Dec 2021 S\$'000
<i>Statement of comprehensive income:</i>				
Current income tax				
- current income taxation	(12)	(544)	(12)	-
- (Over)/under provision in respect of previous years	9	(16)	3	(8)
	(3)	(560)	(9)	(8)
Deferred income tax				
- origination and reversal of temporary difference	2	(3)	0	(10)
Income tax (credit)/expense recognised in statement of comprehensive income	(1)	(563)	(9)	(18)

8. Loss per share

	Group 3-month Period Ended 31 Dec 2022	Group 3-month Period Ended 31 Dec 2021	Group 12-month Year Ended 31 Dec 2022	Group 12-month Year Ended 31 Dec 2021
Loss for the period attributable to equity holders of the Company (S\$'000)	(631)	(8,711)	(1,983)	(8,859)
Weighted average number of ordinary shares	188,993,260	187,031,616	188,993,260	187,031,616
Basic loss per share (cents)	<u>(0.33)</u>	<u>(4.66)</u>	<u>(1.05)</u>	<u>(4.74)</u>
Diluted loss per share (cents)	<u>(0.33)</u>	<u>(4.66)</u>	<u>(1.05)</u>	<u>(4.74)</u>

Basic loss per share is calculated by dividing the net loss for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue of 188,993,260 (31 December 2021: 187,031,616) during the financial period/year.

As at 31 December 2021, diluted loss per share is the same as basic loss per share as the outstanding share options granted to the employees under the GS Holdings ESOS have not been included in the calculation given that they are anti-dilutive. The diluted loss per share is the same as the basic loss per share for the 12-month year ended 31 December 2022 as the Company does not have any outstanding convertible securities.

9. Net assets value

	Group 31 Dec 2022	Group 31 Dec 2021	Company 31 Dec 2022	Company 31 Dec 2021
Net assets value per ordinary share (cents)	<u>8.95</u>	<u>10.60</u>	<u>2.62</u>	<u>5.75</u>

Net asset value per ordinary share is calculated based on 188,993,260 ordinary shares (excluding treasury shares) outstanding as at 31 December 2022 and 31 December 2021.

10. Property, plant and equipment

During the financial year, the Group and Company acquired assets amounting to S\$10,000 (31 December 2021: S\$89,000) and S\$ NIL (31 December 2021: S\$10,000) respectively in cash. As at 31 December 2022, the cost of property, plant and equipment acquired by the Group under lease arrangement amounts to S\$429,000 (31 December 2021: S\$988,000).

11. Investment properties

	Group	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
At 1 January	2,170	3,050
Fair value loss recognised in the statement of profit or loss	(760)	(880)
Disposal of an investment property	(450)	-
At 31 December	<u>960</u>	<u>2,170</u>

The fair values of investment properties were determined based on the latest valuation performed by an independent valuer in January 2023. For valuation performed by the professional valuer, management reviews the appropriateness of the valuation methodologies and assumptions adopted. In determining the fair value of the investment properties, the valuation of the investment properties is based on comparable market transactions of similar properties and the estimated future income stream to be achieved from the properties.

The following amounts are recognised in the statement of profit or loss:

	Group		Group	
	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Rental income	-	8	8	31
Gain on disposal of investment property	-	-	10	-
Direct operating expenses arising from investment properties that generated rental income	<u>11</u>	<u>18</u>	<u>61</u>	<u>71</u>

Investment property pledged as security

An investment property amounting to S\$ NIL (31 December 2021: S\$450,000) is mortgaged to secure bank loans for the Group.

The Group has on 18 January 2022 entered into an option to purchase with third party purchasers to dispose of an investment property amounting to S\$450,000 for a consideration of S\$460,000. The purchasers have on 7 February 2022 exercised the option to purchase. On 4 April 2022, the sales of property investment had been completed.

12. Investments in subsidiaries

	Company	
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Unquoted equity shares, at cost		
At 1 January	9,112	9,122
Incorporation of a subsidiary during the financial year	10	100
Strike off of a subsidiary during the financial year	-	(110)
At 31 December	9,122	9,112
Impairment allowances:		
At 1 January	-	(110)
Strike off during the financial year	-	110
Allowance made during the financial year	(4,628)	-
At 31 December	(4,628)	-
Net carrying amount	4,494	9,112

13. Intangible assets

	Group	
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Goodwill arising on business combination	4,373	4,373
Other intangible assets	318	316
	4,691	4,689

14. Trade and other receivables

	Group		Company	
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Trade receivables	7,053	7,688	-	-
Less: Allowance for impairment losses	(6,977)	(7,633)	-	-
	76	55	-	-
Other receivables	19,757	21,648	2,171	2,633
Less: Allowance for impairment losses	-	(1)	(43)	(304)
	19,757	21,647	2,128	2,329
Total	19,833	21,702	2,128	2,329

14. Trade and other receivables (Continued)

Included in the Group's gross trade receivables as at 31 December 2022 are trade receivables amounting to approximately S\$6,947,000 due from the 14 BOP outlets which have been fully impaired in the Group's financial statements for the year ended 31 December 2021. The Group has not received any payments or proposed repayment plans from the 14 BOP outlets during the current reporting period despite letters of demand having been sent to all the 14 BOP outlets. In view of the worsening Covid-19 pandemic situations in China since March 2022 which resulted in full lockdown in some major cities in the PRC for up to more than 2 months in the second quarter of 2022 and subsequent full or partial lockdowns from time to time till January 2023, we understand that the businesses of the 14 BOP outlets were further impacted negatively. With that, the Group wishes to give more time to the 14 BOP outlets to settle the outstanding BOP service fees after having also taking into consideration its PRC lawyers' advice on the high costs for legal and arbitration proceedings that may have to be incurred to commence and conclude such proceedings.

Included in the Group's other receivables as at 31 December 2022 is an amount of RMB 98.4 million (equivalent to approximately S\$19.1 million) which is receivable from Mr Zhang Rongxuan ("**Mr Zhang**"), the Company's non-independent and non-executive Chairman and Director. As stated in the Company's announcement dated 5 June 2022, Mr Zhang has informed the Board that he has earmarked certain funds and was expected to transfer (or procure the transfer(s)) of 100,000,000 Listed Shares to the Company by 15 June 2022 and an additional 100,000,000 to 200,000,000 shares in a Hong Kong listed company (the "**Listed Shares**") by the first week of July 2022, and a cash payment of HKD 1 million by 15 June 2022. Mr Zhang had then also agreed that in the event that the aggregate value of all Listed Shares received by the Company and/or any Group Company as at 31 July 2022 is less than RMB 100 million, Mr Zhang shall undertake to pay to the Company any shortfall in the amount by way of monthly instalments of S\$1,000,000 for a period of twelve (12) months commencing from the first week of August 2022 (the "**Instalment Terms**"). Each monthly instalment is to be satisfied:

- (a) in the form of cash payment; or
- (b) transfer(s) of such number of Listed Shares to the Company (with aggregate value at time of transfer being S\$1,000,000); or
- (c) a combination of the above (where value of Listed Shares at time of transfer must be S\$1,000,000 when combined with the cash payment made for that instalment).

In the event that the aggregate value of such Listed Shares and monthly instalments received by the Company is insufficient to cover the sum of RMB 100 million, Mr Zhang shall pay to the Company the outstanding balance together with the final monthly instalment.

14. Trade and other receivables (Continued)

The Board understands from Mr Zhang that while he has been working towards and has earmarked certain funds to effect the transfer (or procuring the transfer(s)) of additional Listed Shares and/or cash payment, he remains unable to utilise such funds yet due to various reasons including verification checks by the relevant bank.

As announced by the Company in its announcements dated 14 July 2022, 14 August 2022 and 14 November 2022, in view of the receipt of the sum of HKD 1 million and Mr Zhang's constant communication with Mr Pang in relation to his efforts to facilitate transfer of the Listed Shares to the Company, the Board (save for Mr Zhang) had then decided not to issue the letter of demand to Mr Zhang and Kaifeng Jufel. In the interests of facilitating the resolution of the matter, the Board (save for Mr Zhang), in consultation with the Audit and Risk Committee ("ARC"), has noted the explanation provided by Mr Zhang and has agreed to grant an extension for Mr Zhang to transfer the relevant Listed Shares and/or the first four instalment payments of S\$1,000,000 each to the Company by 30 November 2022.

For avoidance of doubt, Mr Zhang shall thereafter continue to comply with the Instalment Terms for the remainder of the 12-month period.

As at the date of this announcement, save for the receipt of 5,000,000 Listed Shares which was previously confirmed by the Company's appointed licensed brokering firm and the sum of HKD 1 million in July 2022, the Company has not received any payments from Mr Zhang pursuant to the Instalment Terms. All the 5,000,000 Listed Shares had been disposed of on or around end December 2022 and early January 2023 with a total gross proceed of approximately HKD 0.73 million.

In view of the long delay in settling the remaining RMB 98.4 million owing to the Company, Mr Zhang has made a new settlement proposal to the Board of the Company. The need for this was underscored by the uncertainty as to when his bank credit facilities will be approved, coupled with the fact that all his PRC companies are also in need of cash to sustain their business which were and continue to be badly affected by the Covid-19 pandemic lasting more than 3 years. Under the new proposal, Mr Zhang intends to transfer and/or procure the transfer of 10% shares in a PRC company which engages in the business of provision of healthcare and wellness services particularly for seniors to the Company. Based on an internal valuation by the PRC company, such 10% shares is worth approximately RMB 150 million. Subject to further information pertaining to the PRC company being provided to the Company and such information having been verified and deemed satisfactory, the Board has accepted the proposal in principle. The Board intends to appoint professional firms to conduct requisite due diligence checks on the PRC company as well as a professional independent valuer to assess the value of the shares, before entering into the settlement agreement with Mr Zhang. The acceptance of such 10% shares and entry into the aforesaid settlement agreement, if any, with Mr Zhang may also be subject to shareholders' and regulatory approval, if necessary. In the meantime, Mr Zhang has also informed the Board that he will transfer an additional 3,000,000 Listed Shares to the Company by mid-March 2023.

The Board will be closely monitoring developments relating to the new settlement proposal, transfer of the relevant Listed Shares and/or cash payment pursuant to the Instalment Terms and will ensure that relevant announcement(s) is/ are released by the Company as and when there are any material updates on the aforesaid matters.

15. Cash and bank balances

As reported in the previous reporting period, an amount of RMB 100 million against which there is an existing encumbrance has been reclassified to other receivables as amount due from Mr Zhang, in view of Mr Zhang's entering into a guarantee agreement with the Company to resolve the encumbrance issue if the encumbrance cannot be discharged or the lender decides to terminate the RMB 100 million loan extended to the 14 BOP outlets through a third-party loan arranged by Kaifeng Jufel Bio-Technology Co., Ltd ("**Kaifeng Jufel**"). For details, please refer to the Company's announcements dated 13 June 2021, 17 June 2021, 1 July 2021, 19 July 2021, 29 July 2021, 18 August 2021, 30 September 2021, 2 November 2021, 31 December 2021, 1 March 2022, 1 April 2022, 9 May 2022, 10 May 2022, 18 May 2022, 24 May 2022, 5 June 2022, 4 July 2022, 6 July 2022, 14 July 2022, 14 August 2022 and the Company's Annual Report for FY2021.

As at the date of this announcement, the Board (save for Mr Zhang) has just been informed by Mr Zhang that the lender had terminated the RMB 100 million loan and had subsequently withdrawn the RMB 100 million cash held in one of the bank accounts of Wish Shanghai. The Board (save for Mr Zhang) has requested Mr Zhang to submit all relevant termination documents from the lender to the Company for verification. The aforesaid documents have yet to be submitted to the Company as at the date of this announcement. Accordingly, the Company will now focus on the recovery of the RMB 100 million from Mr Zhang and/or Kaifeng Jufel including attending to and monitoring closely the developments on latest settlement proposal presented by Mr Zhang.

Included in the Group's cash and bank balances as at 31 December 2022 and 31 December 2021 is an amount of RMB20,451,0000 (equivalent to S\$3,961,000) held in Bank of China in the PRC. As disclosed in Note 18(a) to the financial statements in the Company's Annual Report 2021, the Group is unable to ascertain the bank balance amount of RMB20,451,0000 (equivalent to S\$3,961,000) held in Bank of China in the PRC due to management's inability to obtain the relevant bank statements of Wish Shanghai from the former director who was the legal representative and authorised bank signatory of Wish Shanghai at the material time. Consequently, our auditor was unable to arrange for bank confirmation for the aforesaid bank balance amount and to carry out their audit procedures to obtain sufficient appropriate audit evidence to ascertain the existence and the quantum of the bank balance amount of RMB20,451,0000 (equivalent to S\$3,961,000) held in Bank of China in the PRC, and related information that may require disclosures in the financial statements as at 31 December 2021.

As announced by the Company on 13 December 2022, the Company changed the legal representative of Wish Shanghai to Mr Pang Pok ("**Mr Pang**"), the Executive Director and Chief Executive Officer of the Company. However, as the PRC authorities still imposed lockdown in Shanghai from time to time in December 2022 and early part of January 2023 before the Chinese New Year, and with travel restrictions still being imposed by the PRC authorities for foreigners who wish to travel to China, the arrangement for Mr Pang to travel to Shanghai to attend to all relevant formalities and complete documentation so as to effect his appointment as authorised bank signatory of Wish Shanghai for the Group to be able to ascertain the existence and the quantum of the bank balance amount of RMB20,451,0000 (equivalent to S\$3,961,000) held in Bank of China in the PRC has been delayed. Notwithstanding the above, the Company hopes and is working on resolving these issues by 31 March 2023.

16. Financial assets and financial liabilities

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Financial assets</i>				
At amortised cost				
Trade and other receivables ¹	19,652	21,578	2,084	2,302
Cash and cash equivalents	5,016	6,036	163	102
	<u>24,668</u>	<u>27,614</u>	<u>2,247</u>	<u>2,404</u>
<i>Financial liabilities</i>				
At amortised cost				
Trade and other payables ²	3,264	2,288	1,834	678
Loans and borrowings	4,241	5,000	-	-
	<u>7,505</u>	<u>7,288</u>	<u>1,834</u>	<u>678</u>

¹This excludes GST receivables, deposits, prepayments.

²This excludes GST payables, deposits received and deferred incomes.

17. Loans and borrowings

	Group	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
<u>Amounts repayable within one year</u>		
Secured	756	1,100
Unsecured	838	813
	<u>1,594</u>	<u>1,913</u>
<u>Amounts repayable after one year</u>		
Secured	1,149	1,940
Unsecured	589	1,147
	<u>1,738</u>	<u>3,087</u>
Total	<u>3,332</u>	<u>5,000</u>
	Bank loans	Lease liabilities
	S\$'000	S\$'000
Group		
2022		
Balance at 1 January 2022	3,040	1,960
Changes from financing cash flows:		
- Repayments	(1,135)	(844)
- Interest paid	(83)	(26)
Non-cash changes:		
- Interest expense	83	26
- New leases	-	429
- Offsetting with deposit paid	-	(50)
- Lease modification	-	(68)
Balance at 31 December 2022	<u>1,905</u>	<u>1,427</u>
		Total
		S\$'000

Amounts repayable within one year	756	838	1,594
Amounts repayable after one year	<u>1,149</u>	<u>589</u>	<u>1,738</u>
Total	<u>1,905</u>	<u>1,427</u>	<u>3,332</u>
2021			
Balance at 1 January 2021	2,677	1,788	4,465
Changes from financing cash flows:			
- Proceeds	2,300	-	2,300
- Repayments	(1,937)	(816)	(2,753)
- Interest paid	(80)	(114)	(194)
Non-cash changes:			
- Interest expense	80	114	194
- New leases	<u>-</u>	<u>988</u>	<u>988</u>
Balance at 31 December 2021	<u>3,040</u>	<u>1,960</u>	<u>5,000</u>
Amounts repayable within one year	1,100	813	1,913
Amounts repayable after one year	<u>1,940</u>	<u>1,147</u>	<u>3,087</u>
Total	<u>3,040</u>	<u>1,960</u>	<u>5,000</u>

17. Loans and borrowings (Continued)

Total loans and borrowings amounted to S\$3,332,000 (31 December 2021: S\$5,000,000), of which S\$1,905,000 (31 December 2021: S\$3,040,000) are secured by:

- (i) assignment of rental proceeds and all rights of the tenancy agreements;
- (ii) corporate guarantee from the Company;
- (iii) personal guarantee from a director of the Group; and
- (iv) all cash and bank balances of the borrowing subsidiary.

Finance lease liabilities amounting to S\$ NIL as at 31 December 2022 (31 December 2021: S\$48,000) are secured by the rights to the Group's motor vehicle (31 December 2021: motor vehicles).

18. Trade and other payables

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	308	253	-	-
Other payables	<u>3,200</u>	<u>2,242</u>	<u>1,835</u>	<u>682</u>
	<u>3,508</u>	<u>2,495</u>	<u>1,835</u>	<u>682</u>

Included in Other Payables as at 31 December 2022 is an amount of S\$350,000 (31 December 2021: Nil) due to a controlling shareholder which is unsecured, interest-free, and has no fixed terms of repayment.

19. Share capital

	Group and Company			
	31 Dec 2022		31 Dec 2021	
	No. of shares	S\$'000	No. of shares	S\$'000
<u>Issued and fully paid ordinary shares</u>				
At 1 January	188,993,260	21,488	184,993,260	20,469
Issuance of shares pursuant to exercise of warrants	-	-	4,000,000	1,020
Share issue expense	-	-	-	(1)
At 31 December	<u>188,993,260</u>	<u>21,488</u>	<u>188,993,260</u>	<u>21,488</u>

Treasury shares and subsidiary holdings

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2022 and 31 December 2021.

20. Reserves

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Share options reserves	-	687	-	687
Currency translation reserve	194	1,324	-	-
Merger reserve	(8,611)	(8,611)	-	-
Asset revaluation reserve	2,919	2,919	-	-
	<u>(5,498)</u>	<u>(3,681)</u>	<u>-</u>	<u>687</u>

21. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset and liability.

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value at the end of the reporting date:

Group	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<u>Recurring fair value measurements</u>				
31 December 2022				
Non-financial asset:				
Investment properties	<u>-</u>	<u>-</u>	<u>960</u>	<u>960</u>
31 December 2021				
Non-financial asset:				
Investment properties	<u>-</u>	<u>-</u>	<u>2,170</u>	<u>2,170</u>

22. Subsequent event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY CATALIST LISTING RULE APPENDIX 7C

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim consolidated balance sheet of GS Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 31 December 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the full year then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

The audit opinion in the Auditor’s Report for the Company’s financial statements for financial year ended 31 December 2021 is a disclaimer of opinion on few areas as the auditors were unable to obtain sufficient appropriate audit evidence and supporting documentation to satisfy themselves or carry out alternative procedures to conclude on:-

- (a) Whether the opening balances as at 1 January 2021 are fairly stated.
- (b) Whether the amount of RMB 100,000,000 is appropriately reclassified from cash and bank balances to other receivables as amount due from Mr Zhang and unable to ascertain the recoverability of the aforesaid amount due from Mr Zhang.
- (c) Whether the bank balance amount of RMB20,451,000 held in the Bank of China in the PRC exists and unable to ascertain on the quantum and related information that may require disclosures in the financial statements.
- (d) Whether any impairment of property, plant and equipment and intangible assets were necessary.
- (e) Whether any impairment of investments in subsidiaries and further impairment on amounts due from subsidiaries were necessary.
- (f) Whether any findings may be reported by the Independent Reviewer which may require adjustments and/or additional disclosure or other consequential effect in respect of current and prior years’ financial statements.
- (g) Whether going concern assumption used in the preparation of the financial statements is appropriate due to the uncertainties surrounding the outcome of matters highlighted in paragraphs 3 to 8 of the Auditor’s Report.

1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:- (Continued)

Please refer to the Company's announcement dated 4 July 2022 for efforts taken by the Group to resolve the above audit issues. Please also refer to Notes 14 and 15 of Section E of this announcement for latest update on the recoverability of amount due from Mr Zhang, status of the encumbrance on the RMB100 million held in Guangfa Bank in the PRC, and the arrangement for Mr Pang to travel to Shanghai to effect his appointment as authorised bank signatory of Wish Shanghai.

The Company has performed impairment assessment of property, plant and equipment, goodwill, intangible assets, investments in subsidiaries, and amounts due from subsidiaries in the current reporting period. Our auditor is currently reviewing the profit forecasts and discounted cash flows prepared by the Management and all the relevant assumptions used by the Management in preparing the profit forecasts and discounted cash flows for the purpose of performing the impairment assessment of these assets.

Notwithstanding that the outcome of the matters highlighted in paragraphs 3 to 8 of the Auditor's Report which may require further adjustments to the financial statements to the extent which could result in the Group's working capital or equity turns into negative balance, in the opinion of the Board of Directors of the Company, these financial statements can be prepared on a going concern basis as the Group has adequate resources, including the availability of banking facilities and a letter of commitment from the controlling shareholder of the Group for loans of up to S\$2 million that can be drawn down by the Group over a period of 2 years, if required, which will enable the Group to pay its debts as and when they fall due and that the Group will continue to generate adequate cash flows from its operations for the foreseeable future. As at 31 December 2022, S\$350,000 has been drawn down by the Company. As announced previously, our ARC has assessed the ability of Mr Pang to fulfil his commitment and concluded that Mr Pang is able to provide the financial support of up to S\$2 million as and when required over a period of 2 years. Further, the Group is taking certain corporate actions, amongst others, expanding its business presence across high-growth end markets within Asia with new food and beverage brands, concepts and franchises to drive new growth, while diversifying the Group's revenue base and generating new cash flows. Please refer to the Company's announcement dated 22 April 2022, 18 May 2022, 24 May 2022, 5 June 2022, 4 July 2022, 6 July 2022 and 14 August 2022 for more information on the basis that these financial statements can be prepared on a going concern basis.

The Board confirmed that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

2. Review of the performance of the Group

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion on the following: -

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A. Condensed Interim Consolidated Statement of Comprehensive Income

The following review of the performance of the Group is in relation to the 3 months period ended 31 December 2022 ("4Q2022") as compared to the 3 months period ended 31 December 2021 ("4Q2021"), and 12 months period ended 31 December 2022 ("FY2022") as compared to the 12 months period ended 31 December 2021 ("FY2021"), where applicable

Revenue

	Group 3 months period ended		Increase / (Decrease) %	Group 12 months period ended		Increase %
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000		31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	
F&B revenue	1,850	1,650	12	7,104	5,964	19
BOP service fee income	-	(3,337)	N.M	-	-	-
	<u>1,850</u>	<u>(1,687)</u>	N.M	<u>7,104</u>	<u>5,964</u>	19

F&B revenue increased by approximately 12% in 4Q2022 and 19% in FY2022, mainly due to improvement in our F&B business as a result of relaxation and lifting of dining restrictions and opening of borders by our Singapore government in the first half of 2022.

All the BOP service fee income for FY2021 has been reversed in the final quarter of 2021 to comply with the revenue recognition criteria under SFRS(I) 15 Revenue from Contracts with Customers. For further details, please refer to our full year results announcements dated 1 March 2022 and the Company's Annual Report 2021.

2. Review of the performance of the Group (Continued)

A. Condensed Interim Consolidated Statement of Comprehensive Income (Continued)

Cost of sales

	Group 3 months period ended			Group 12 months year ended		
	31 Dec 2022	31 Dec 2021	(Decrease) %	31 Dec 2022	31 Dec 2021	(Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Food and beverage cost	565	579	(2)	2,248	2,077	8
Personnel expenses	531	730	(27)	1,803	2,236	(19)
Amortisation of right-of-use assets	52	232	(78)	698	825	(15)
Utilities	30	99	(70)	398	369	8
Subcontractors' expenses	-	12	N.M	-	104	N.M
Other cost of sales	162	(9)	N.M	508	362	40
	<u>1,340</u>	<u>1,643</u>	(18)	<u>5,655</u>	<u>5,973</u>	(5)

The above are main components of the Group's cost of sales.

The increase in the food and beverage cost and utilities expenses by 8% in FY2022 is in line with the improvement in our F&B revenue. The decrease in the food and beverage cost and utilities by 2% and 70% respectively in Q42022 as compared to such expenses incurred in Q42021 is mainly due to the closure of a halal eating house in early 2022.

The decrease in personnel expenses by 27% in 4Q2022 and 19% in FY2022 is mainly due to the closure of a halal eating house which was loss making and the resignation of a senior management staff in the first half of 2022.

As a result of the above, overall cost of sales for both 4Q2022 and FY2022 decreased even though our F&B revenue for both 4Q2022 and FY2022 was higher than the corresponding period.

Other income

Other income decreased by 21% in FY2022, mainly due to lower receipt of government grants and rental rebates from landlords in the current reporting year as compared to these other incomes received in the previous reporting year.

Administrative expenses

Administrative expenses increased by 107% in 4Q2022, mainly due to increase in fair value loss in investment properties, impairment loss on property, plant and equipment and accrual for professional fees.

Administrative expenses increased by 14% in FY2022, mainly due to increase in impairment loss on property, plant and equipment and accrual for professional fees.

2. Review of the performance of the Group (Continued)

A. Condensed Interim Consolidated Statement of Comprehensive Income (Continued)

Finance costs

Finance costs decreased by approximately 44% or S\$85,000 in FY2022, mainly due to progressive repayment of bank loans and lease liabilities during the year and adjustment to finance lease interest.

B. Condensed Interim Consolidated Balance Sheet

The following review of the financial position of the Group is in relation to 31 December 2022 as compared to 31 December 2021.

Non-current assets

Property, plant and equipment (“PPE”) decreased by S\$0.59 million from S\$1.90 million as at 31 December 2021 to S\$1.31 million as at 31 December 2022, mainly due to recognition of right-of-use assets by the Group amounting to approximately S\$0.36 million (net of lease modification) during the year, offset by impairment loss of S\$0.27 million, and depreciation charge of S\$0.68 million during the year.

Investment properties decreased by S\$1.21 million, mainly due to fair value loss during the year amounting to S\$0.76 million and disposal of investment property amounting to S\$0.45 million.

Current assets

Trade and other receivables decreased by S\$1.87 million, mainly due to receipt of proceeds from the partial disposal of the 5,000,000 Listed Shares and sum of HK\$1 million worth approximately S\$0.3 million as at 31 December 2022 from Mr Zhang as part of the settlement of amount due from Mr Zhang, and currency translation loss due to weakening of China Renminbi against Singapore Dollar exchange rates during the year.

Cash and cash equivalent decreased by S\$1.0 million during the period. Reasons for the decrease are provided below under the Review of the Group’s Cash Flow Statement.

Non-current liabilities

Non-current loans and borrowings decreased by S\$1.35 million, mainly due to progressive repayment of bank loans and lease liabilities during the year. The decrease was partially offset by recognition of new lease liabilities during the year.

2. Review of the performance of the Group (Continued)

B. Condensed Interim Consolidated Balance Sheet (Continued)

Current liabilities

Trade and other payables increased by S\$1.01million, mainly due to increase in deferred income arising from gas purchase rebate received in advance during the year, accrual for professional fees and receipt of loans from a controlling shareholder.

Current loans and borrowings decreased by S\$0.32 million, mainly due to progressive repayment of bank loans and lease liabilities during the year.

Tax payables decreased by S\$487,000, mainly due to the translation difference during the year.

Equity

Overall, the Group's total equity decreased by S\$3.53 million from S\$23.40 million as at 31 December 2021 to S\$19.87 million as at 31 December 2022. The decrease was mainly due to the net loss of S\$2.12 million incurred during the year and currency translation differences arising from consolidation of S\$1.41 million.

C. Condensed Interim Consolidated Cash Flow Statement

Overall, the Group reported a net decrease in cash and cash equivalents of S\$1.02 million from S\$6.04 million as at 31 December 2021 to S\$5.02 million as at 31 December 2022.

The decrease was mainly due to repayment of bank loans and lease liabilities as well as interest payment amounting to S\$2.09 million.

The above decrease was partially offset by the cash flow generated from the following items:

- a. Net operating cash inflows of S\$0.89 million;
- b. Proceeds from disposal of investment property of S\$0.21 million; and
- c. Loans from a director of S\$0.35 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement released on 14 November 2022.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any know factors or events that may affect the group in the next reporting period and the next 12 months.

(i) F&B business

The Group's F&B companies are currently all operating in Singapore. As at 31 December 2022, the Group has 6 F&B establishments which include 2 food courts/coffeeshops, a chicken rice restaurant under the "Sing Swee Kee" brand name, two chicken rice stalls in food courts and one halal chicken rice brand in a food court.

Following the relaxation and lifting of dining restrictions and opening of borders by our Singapore government in the first half of 2022 resulting in an increase in demand for F&B services, and assuming that the Group's expansion plans for the F&B division materialise and/or proceed as envisaged in 2023, the Company is cautiously optimistic of producing better financial results for our F&B division in the next 12 months.

The Company would also like to provide an update on the status of the letter of intent ("LOI") and memorandum of understanding ("MOU") signed previously as follows:

(a) 28 December 2021 – Entry into LOI with Action Culture Pte. Ltd. with the aim of establishing 10 China's F&B brands and 10 Singapore F&B brands which will be sold as franchise in Asian countries

As updated in the previous reporting period, the Group has not finalised any draft proposals with Action Culture or instructed them to proceed to create and develop the F&B brands.

The Group is currently in discussion with Action Culture Pte. Ltd. to terminate the LOI as the Group wishes to focus on expanding other parts of its existing F&B business.

(b) 28 January 2022 – Entry into non-binding MOU with Long Chao Shenzhen on the development of new franchisees for the F&B brands owned by Sing Zhong Brands Management and Long Chao Shenzhen.

Since the entry into the non-binding MOU with Long Chao Shenzhen on 28 January 2022, there were no joint effort undertaken with Long Chao Shenzhen to market and sell the franchise of selected F&B brands owned by Sing Zhong Brands Management as Sing Zhong Brands Management has yet to develop any F&B brands as explained above.

The Group is currently in discussion with Long Chao Shenzhen to terminate the MOU as the Group wishes to focus on expanding other parts of its existing F&B business.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any know factors or events that may affect the group in the next reporting period and the next 12 months. (Continued)

(i) F&B business (Continued)

The Company would also like to provide an update on the status of the LOI and MOU signed previously as follows: (Continued)

(c) 9 May 2022 – Entry into MOU with Ants Innovate Pte. Ltd. on the cooperation in the production and supply of plant-based and cell-based meat products.

Both parties are in the final stage of discussion and working towards entering into a definitive agreement. Currently, both parties are in close discussions on exploring other potential countries on setting up a production plant and undertaking some preliminary preparation works.

(ii) BOP / Health Management Services business

As announced in the previous reporting period, all the BOP service agreements and health management service agreements with the 14 BOP outlets have been terminated in the second half of 2021. With that, the Group expects that there will be no revenue and income from this division in the next 6 to 12 months.

There are other business opportunities which the Group is currently exploring and evaluating. The Group will make announcement(s) at an appropriate time as and when the commercial terms of each or any of these business opportunities are finalised.

5. Dividend Information

(a) Whether an interim (final) ordinary dividend has been declared (recommended):

No dividend has been declared or recommended for the current financial period/year.

(b) (i) Amount per share: Not applicable.

(ii) Previous corresponding period: No dividend has been declared or recommended for the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable:

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined:

Not applicable.

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period ended 31 December 2022 as the Group is currently loss making and the Board of Directors deems it appropriate to conserve funds for the Group's business activities and working capital requirements.

7. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions.. There was no disclosable interested person transaction for the current financial period under review.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

9. Disclosure of acquisition (including incorporations) and sale of shares since the end of the previous reporting period up to the current financial period under Rule 706A of the Catalist Rules.

The Company did not acquire or dispose shares in any companies during the reporting period.

10. Use of convertible loans

The Company refers to the Company's announcement dated 17 December 2018 on the entry into convertible loan agreement (the "**Convertible Loan Agreement**") for an aggregate amount of RMB 68 million (or approximately S\$13.6 million) and announcement dated 19 June 2020 on the entry into a supplemental agreement to vary certain terms of the Convertible Loan Agreement.

As at the date of this announcement, there is no disbursement of the convertible loan.

11. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Pang Yiling, Eliss	39	Daughter of Chief Executive Officer, Mr. Pang Pok	Director of Operations since 25 June 2018.	No change
Ang Siew Kiok	64	Spouse of Chief Executive Officer, Mr. Pang Pok	Executive Director of Hao Kou Wei Pte. Ltd. since 1 July 2019.	No change

12. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 2 of Section F above for details.

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend was declared for both 2022 and 2021.

BY ORDER OF THE BOARD

Pang Pok
Chief Executive Officer and Executive Director

1 March 2023