

**DISCLAIMER OF OPINION, EMPHASIS OF MATTER AND MATERIAL UNCERTAINTY RELATED
TO GOING CONCERN BY INDEPENDENT AUDITOR ON FINANCIAL STATEMENTS**

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 Independent Auditor's Report dated 9 April 2024 (the "**Independent Auditor's Report**") issued by the Company's existing independent auditors (the "**Auditors**"), PKF-CAP LLP, in relation to the audited consolidated financial statements of the Group (the "**Audited Financial Statements**") for the financial year ended 31 December 2023 ("**FY2023**").

The Board wishes to highlight that the Auditors have included a disclaimer of opinion (the "**Disclaimer Opinion**"), Emphasis of Matter ("**EOM**") and Material Uncertainty Related to Going Concern, collectively (the "**Audit Opinion**") in their Independent Auditor's Report. The Audit Opinion, extracted from the Independent Auditor's Report, is set out in a separate attachment to this announcement.

The Independent Auditor's Report and the Audited Financial Statements are set out in the Company's Annual Report for FY2023 ("**FY2023 Annual Report**") released by the Company on SGXNET on 12 April 2024. **Shareholders of the Company are advised to read this announcement in conjunction with the FY2023 Annual Report.**

1. BOARD'S COMMENTS ON AUDIT OPINION

(a) Disclaimer Opinion – Opening Balances

The basis of disclaimer of opinion in the Auditor's Report for the Company's financial statements for the financial year ended 31 December 2021 was due to insufficient appropriate audit evidence and supporting documentation to satisfy the previous auditors on:

- Whether the amount received of RMB100 million represented collections from the Group's customers for the trade and other receivables arising from Branding, Operations and Procurement ("**BOP**") services that were outstanding as at 31 December 2020.
- Whether there would be any implications arising from the encumbrance on the RMB100 million including any potential recourse to the Group with respect to the receipt.
- Whether the BOP services contracts met the criteria in SFRS(I) 15 Revenue from Contracts with Customers that it was probable that the Group would be able to collect an amount of consideration in exchange of services, for the services, for revenue recognised during the financial year ended 31 December 2020.

The above has resulted in the previous auditors to be unable to conclude on:

- Whether any allowance for expected credit losses was required for the Group' trade and other receivables arising from BOP services amounted to RMB135.9mil as at 31 December 2020
- Whether any adjustments were required to the revenue recognised during the financial year ended 31 December 2020.

Following the full impairment provision recognised on the amount due from Mr Zhang (refer to Note 16(b) to the financial statements) in the FY2023, the Board are of the view the Group do not have any remaining exposure in relation to the trade and other receivables that were arising from BOP services. As such, the Disclaimer Opinion on the opening balance should be resolved for the financial year ending 31 December 2024.

(b) EOM – Investigation of Chief Executive Officer in relation to potential offence under the Securities and Futures Act 2001

Aside from Mr. Pang Pok, the Company, its subsidiaries, directors and employees are not currently the subject of the Investigation and there have been no requests made for any director or management to surrender their travel documentation.

The Board do not expect the Group's business and operations to be affected nor there to be any material impact on the Group's financials arising from the Investigation.

(c) Material Uncertainty Related to Going Concern

The Board noted that the basis of material uncertainty related to going concern is due to the Group being in a negative equity balance and net current liabilities position, while the Company is in a net current liabilities position as at FY2023.

In the opinion of the Board of the Company, the financial statements are prepared on a going concern basis as the Company and its subsidiaries have adequate resources, including obtaining financing from (i) the Convertible Loan amounting to S\$1 million, of which S\$500,000 have been received subsequent to year end, (ii) a share placement of approximately S\$500,000, and (iii) a renewed letter of commitment from a substantial shareholder of the Company, who is also the Executive Director and Chief Executive Officer of the Company, for loans of up to S\$2 million that can be drawn down by the Company and its subsidiaries over a period of 2 years, if required, which will enable the payment of their debts as and when they fall due and that the Company and its subsidiaries will continue to generate adequate cash flows from their operations for the foreseeable future. As at the date of this report, the Company has obtained loans from the substantial shareholder amounting to S\$648,000 out of the S\$2 million financial support. In addition, the Company is currently considering various other options to raise funds for working capital and business expansion purposes.

2. 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 the above matters.

3. CAUTIONARY STATEMENT

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 exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants and other professional advisers.

By Order of the Board

Lim Kee Way Irwin
Lead Independent Director and Acting Chairman

12 April 2024

This announcement has been prepared by GS Holdings Limited (the “Company”) and its contents have been reviewed by the Company’s Sponsor, Evolve Capital Advisory Private Limited (the “Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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