

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

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 unaudited full year financial statements announcement for the financial year ended 31 December 2021 (“**FY2021**”) dated 1 March 2022.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to highlight certain material variances between the Audited Financial Statements and the Unaudited Financial Statements for FY2021.

The material variances between the Audited Financial Statements and the Unaudited Financial Statements, and the explanations thereon, are set out as follows:

Consolidated Statement of Other Comprehensive Income for the Financial Year ended 31 December 2021

	Audited Financial Statements S\$'000	Unaudited Financial Statements S\$'000	Variance S\$'000	Notes
<u>Continuing operations</u>				
Net impairment loss on financial assets	(7,481)	(3,741)	(3,740)	1
Loss before tax	(10,438)	(6,698)	(3,740)	1
Loss after tax	(10,420)	(6,680)	(3,740)	1

Consolidated Statements of Financial Positions as at 31 December 2021

	Audited Financial Statements S\$'000	Unaudited Financial Statements S\$'000	Variance S\$'000	Notes
<u>Current assets</u>				
Trade and other receivables	21,702	25,506	(3,804)	1
<u>Equity</u>				
Reserves	(3,681)	(3,629)	(52)	1
Retained earnings	2,220	5,212	(2,992)	1
Non-controlling interests	3,370	4,133	(763)	1

Consolidated Statement of Cash Flows for the Financial Year ended 31 December 2021

	Audited Financial Statements S\$'000	Unaudited Financial Statements S\$'000	Variance S\$'000	Notes
<u>Cash flows from operating activities</u>				
Receivables	368	938	(570)	2
Cash generated from operations	(425)	145	(570)	2
Net cash (used in)/generated from operating activities	(404)	166	(570)	2
<u>Cash flows from investing activities</u>				
Receipt of consideration receivable for disposal of subsidiaries	570	-	570	2
Net cash generated from/(used in) investing activities	459	(111)	570	2

Other than the above material variances, there is no material variance in Consolidated Statement of Cash Flows except for re-presentation of certain items in the operating activities which have no effect on the cash flow.

Notes:

- (1) The Group made an additional provision for impairment loss on outstanding BOP service fees amounting to S\$3,740,000 after further assessment made by the directors and management of the Company on the recoverability of the outstanding BOP service fees in view of the longer period and higher frequency of lockdown which started from March 2022 due to the fresh outbreak of the Covid-19 pandemic in the People's Republic of

China. As announced previously by the Company in various announcements on the update of BOP business, the businesses of these BOP outlets have been adversely affected by the outbreak of COVID-19 pandemic since early 2020. As of 31 May 2022, a total of 11 BOP outlets have closed their physical stores and moved their operations entirely to an online platform. In addition to that, none of the BOP outlets has responded to the letters of demand issued by our Shanghai law firm in February 2022 and the outstanding BOP service fees have been outstanding for more than a year. With that, the Company has made a full provision for impairment loss on the entire outstanding BOP service fees of S\$7,608,000 as at 31 December 2021.

- (2) The difference is due to the reclassification of receipt of consideration receivable for disposal of subsidiaries from movement of receivables under operating activities to a separate line under investing activities.

By Order of the Board

Pang Pok

Chief Executive Officer and Executive Director

4 July 2022

*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 information, statements or opinions made or reports contained in this announcement.

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