



**GS HOLDINGS LIMITED**

(Incorporated in Singapore on 19 September 2014)

(Company Registration Number: 201427862D)

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**Unaudited Condensed Interim Financial Statements  
For the Financial Period Ended 30 September 2022**

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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 financial period ended 30 September 2022

	Note	Group 3-month Period Ended 30 Sep 2022 S\$'000	Group 3-month Period Ended 30 Sep 2021 S\$'000	Increase/ (Decrease) %	Group 9-month Period Ended 30 Sep 2022 S\$'000	Group 9-month Period Ended 30 Sep 2021 S\$'000	Increase/ (Decrease) %
Revenue	4	1,819	1,404	30	5,265	7,651	(31)
Cost of sales		(1,303)	(1,305)	N.M	(4,326)	(4,330)	N.M
<b>Gross profit</b>		516	99	N.M	939	3,321	(72)
Other income		160	265	(40)	497	691	(28)
Administrative expenses		(929)	(969)	(4)	(2,783)	(2,972)	(6)
Finance costs		(284)	(46)	N.M	(114)	(143)	(20)
<b>(Loss)/Profit before tax</b>	5	(537)	(651)	(17)	(1,461)	897	N.M
Income tax credit/(expense) <sup>(1)</sup>	7	1	(3)	N.M	8	(545)	N.M
<b>(Loss)/Profit for the period</b>		(536)	(654)	(18)	(1,453)	352	N.M
<b>(Loss)/Profit attributable to:</b>							
Equity holders of the Company		(498)	(643)	(22)	(1,352)	(148)	N.M
Non-controlling interests		(38)	(11)	N.M	(101)	500	N.M
<b>(Loss)/Profit for the period</b>		(536)	(654)	(18)	(1,453)	352	N.M
<b>(Loss)/Profit for the period</b>		(536)	(654)	(18)	(1,453)	352	N.M
<b>Other comprehensive</b>							
<b>(loss)/income:</b>							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		(386)	216	N.M.	(648)	770	N.M.
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		(98)	53	N.M.	(163)	203	N.M.
<b>Total comprehensive</b>							
<b>(loss)/income for the period</b>		(1,020)	(385)	165	(2,264)	1,325	N.M
<b>Total comprehensive</b>							
<b>(loss)/income attributable to:</b>							
Equity holders of the Company		(885)	(427)	107	(2,001)	622	N.M
Non-controlling interests		(135)	42	N.M	(263)	703	N.M
<b>Total comprehensive</b>							
<b>(loss)/income for the period</b>		(1,020)	(385)	165	(2,264)	1,325	N.M
Loss per share(cents)							
-Basic	8	(0.26)	(0.35)		(0.72)	(0.08)	
-Diluted		(0.26)	(0.34)		(0.72)	(0.08)	

Note:

- (1) In the previous corresponding period, the income tax expense relates to the tax provision made for the Branding, Operations and Procurement ("BOP") service fee income earned during the period.

N.M – Not Meaningful

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

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	<b>Note</b>	<b>Group As at 30 Sep 2022 S\$'000</b>	<b>Group As at 31 Dec 2021 S\$'000</b>	<b>Company As at 30 Sep 2022 S\$'000</b>	<b>Company As at 31 Dec 2021 S\$'000</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	2,486	1,901	7	10
Investment properties	11	1,290	2,170	-	-
Investments in subsidiaries	12	-	-	4,494	9,112
Intangible assets	13	4,690	4,689	-	-
		<u>8,466</u>	<u>8,760</u>	<u>4,501</u>	<u>9,122</u>
<b>Current assets</b>					
Inventories		73	56	-	-
Trade and other receivables	14	20,352	21,702	2,094	2,329
Cash and bank balances	15	5,190	6,036	110	102
		<u>25,615</u>	<u>27,794</u>	<u>2,204</u>	<u>2,431</u>
<b>Total assets</b>		<u>34,081</u>	<u>36,554</u>	<u>6,705</u>	<u>11,553</u>
<b>EQUITY</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	19	21,488	21,488	21,488	21,488
Reserves	20	(5,016)	(3,681)	-	687
Retained earnings/(accumulated losses)		<u>1,555</u>	<u>2,220</u>	<u>(16,159)</u>	<u>(11,304)</u>
<b>Equity attributable to equity holders of the Company</b>		<u>18,027</u>	<u>20,027</u>	<u>5,329</u>	<u>10,871</u>
<b>Non-controlling interests</b>		<u>3,106</u>	<u>3,370</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>21,133</u>	<u>23,397</u>	<u>5,329</u>	<u>10,871</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	17	3,399	3,087	-	-
Deferred tax liabilities		<u>46</u>	<u>48</u>	<u>-</u>	<u>-</u>
		<u>3,445</u>	<u>3,135</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	18	2,874	2,495	1,376	682
Loans and borrowings	17	1,293	1,913	-	-
Tax payables		<u>5,336</u>	<u>5,614</u>	<u>-</u>	<u>-</u>
		<u>9,503</u>	<u>10,022</u>	<u>1,376</u>	<u>682</u>
<b>Total liabilities</b>		<u>12,948</u>	<u>13,157</u>	<u>1,376</u>	<u>682</u>
<b>Total equity and liabilities</b>		<u>34,081</u>	<u>36,554</u>	<u>6,705</u>	<u>11,553</u>

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

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**For the financial period ended 30 September 2022**

<b>Group</b>	<b>← Attributable to equity holders of the Company →</b>							<b>Total Equity Attributable to Owners of the Company</b> S\$'000	<b>Non-Controlling Interests</b> S\$'000	<b>Total Equity</b> S\$'000
	<b>Share Capital</b> S\$'000	<b>Share Options Reserves</b> S\$'000	<b>Warrants Reserve</b> S\$'000	<b>Currency Translation Reserve</b> S\$'000	<b>Merger Reserve</b> S\$'000	<b>Asset Revaluation Reserve</b> S\$'000	<b>Retained Earnings</b> S\$'000			
<b>At 1 January 2022</b>	<b>21,488</b>	<b>687</b>	<b>-</b>	<b>1,324</b>	<b>(8,611)</b>	<b>2,919</b>	<b>2,220</b>	<b>20,027</b>	<b>3,370</b>	<b>23,397</b>
Loss for the financial period	-	-	-	-	-	-	(1,352)	(1,352)	(101)	(1,453)
Currency translation differences arising from consolidation	-	-	-	(648)	-	-	-	(648)	(163)	(811)
Expired share options not exercised	-	(687)	-	-	-	-	687	-	-	-
<b>At 30 September 2022</b>	<b>21,488</b>	<b>-</b>	<b>-</b>	<b>676</b>	<b>(8,611)</b>	<b>2,919</b>	<b>1,555</b>	<b>18,027</b>	<b>3,106</b>	<b>21,133</b>
<b>At 1 January 2021</b>	<b>20,469</b>	<b>1,244</b>	<b>3,882</b>	<b>534</b>	<b>(8,571)</b>	<b>2,919</b>	<b>6,600</b>	<b>27,077</b>	<b>4,684</b>	<b>31,761</b>
(Loss)/Profit for the financial period	-	-	-	-	-	-	(148)	(148)	500	352
Currency translation differences arising from consolidation	-	-	-	770	-	-	-	770	203	973
Disposal of subsidiary	-	-	-	-	(40)	-	40	-	-	-
Issuance of new shares pursuant to exercise of warrants	1,019	-	-	-	-	-	-	1,019	-	1,019
Expired warrants not exercised	-	-	(3,882)	-	-	-	3,882	-	-	-
Expired share options not exercised	-	(557)	-	-	-	-	557	-	-	-
<b>At 30 September 2021</b>	<b>21,488</b>	<b>687</b>	<b>-</b>	<b>1,304</b>	<b>(8,611)</b>	<b>2,919</b>	<b>10,931</b>	<b>28,718</b>	<b>5,387</b>	<b>34,105</b>

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

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**For the financial period ended 30 September 2022**

<b><u>Company</u></b>	<b>Share Capital S\$'000</b>	<b>Warrant Reserve S\$'000</b>	<b>Share Options Reserve S\$'000</b>	<b>Accumulated Losses S\$'000</b>	<b>Total S\$'000</b>
<b>At 1 January 2022</b>	<b>21,488</b>	<b>-</b>	<b>687</b>	<b>(11,304)</b>	<b>10,871</b>
Loss and total comprehensive loss for the financial period	-	-	-	(5,542)	(5,542)
Expired share options not exercised	-	-	(687)	687	-
<b>At 30 September 2022</b>	<b>21,488</b>	<b>-</b>	<b>-</b>	<b>(16,159)</b>	<b>5,329</b>
<b>At 1 January 2021</b>	<b>20,469</b>	<b>3,882</b>	<b>1,244</b>	<b>(14,126)</b>	<b>11,469</b>
Loss and total comprehensive loss for the financial period	-	-	-	(1,005)	(1,005)
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	-
<b>At 30 September 2021</b>	<b>21,488</b>	<b>-</b>	<b>687</b>	<b>(10,692)</b>	<b>11,483</b>

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

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period ended 30 September 2022

	Group 9-month Period Ended 30 Sep 2022 S\$'000	Group 9-month Period Ended 30 Sep 2021 S\$'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(1,461)	897
Amortisation of right-of-use assets	647	593
Amortisation of intangible assets	22	48
Depreciation charge on property, plant and equipment	69	78
Gain on disposal of property, plant and equipment	(31)	-
Gain on disposal of an investment property	(10)	-
Interest expenses	114	144
Inventories written off	2	-
Property, plant and equipment written off	8	-
Unrealised foreign exchange loss	162	-
Fair value loss on investment properties	430	900
Operating cash flow before working capital changes	(48)	2,660
Changes in working capital:		
Inventories	(19)	(25)
Receivables	44	(2,506)
Payables	379	(34)
Currency translation adjustments	(207)	490
Cash generated from operations	149	585
Income tax refunded/(paid)	5	(2)
<b>Net cash generated from operating activities</b>	<b>154</b>	<b>583</b>
<b>Cash flow from investing activities</b>		
Purchases of intangible assets	(23)	(20)
Proceeds from disposal of an investment property	460	-
Proceeds from disposal of property, plant and equipment	70	-
Purchases of property, plant and equipment	(6)	(48)
<b>Net cash generated from/(used in) investing activities</b>	<b>501</b>	<b>(68)</b>
<b>Cash flow from financing activities</b>		
Repayment of lease liabilities	(643)	(591)
Repayment of bank loans	(958)	(1,645)
Proceeds from borrowings	-	2,300
Proceeds from issuance of new shares	-	1,019
Interest paid	(114)	(144)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,715)</b>	<b>939</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,060)</b>	<b>1,454</b>
Cash and cash equivalents at beginning of the period	6,036	5,606
Effects of foreign currency translation changes on cash and cash equivalents	214	(480)
<b>Cash and cash equivalents at end of the period</b>	<b>5,190</b>	<b>6,580</b>

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

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 30 September 2022**

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

	<b>Group 9-month Period Ended 30 Sep 2022 S\$'000</b>	<b>Group 9-month Period Ended 30 Sep 2021 S\$'000</b>
Cash and bank balances	5,190	27,620
Less: Restricted funds with encumbrance	-	(21,040)
Cash and cash equivalents per consolidated statement of cash flows	5,190	6,580

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



## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **For the financial period ended 30 September 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 period ended 30 September 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 audited financial statements for the full year ended 31 December 2021.

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

	<b>F&amp;B S\$'000</b>	<b>BOP Services S\$'000</b>	<b>Investment Holdings S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total S\$'000</b>
<b><u>1 July 2022 to 30 September 2022</u></b>					
<b><i>Segment revenue:</i></b>					
Sales to external customers	1,819	-	-	-	1,819
Inter-segment sales	24	-	-	(24)	-
Total revenue	1,843	-	-	(24)	1,819
<b>Segment (loss)/profit</b>	<b>193</b>	<b>(176)</b>	<b>(395)</b>	<b>(159)</b>	<b>(537)</b>
<b><u>1 January 2022 to 30 September 2022</u></b>					
<b><i>Segment revenue:</i></b>					
Sales to external customers	5,265	-	-	-	5,265
Inter-segment sales	87	-	-	(87)	-
Total revenue	5,352	-	-	(87)	5,265
<b>Segment (loss)/profit</b>	<b>22</b>	<b>(340)</b>	<b>(1,131)</b>	<b>(12)</b>	<b>(1,461)</b>
<b><i>Significant non-cash items:</i></b>					
Depreciation of property, plant and equipment	53	-	16	-	69
Amortisation of right-of-use assets	647	-	-	-	647
Amortisation of intangible assets	22	-	-	-	22
Property, plant and equipment written off	8	-	-	-	8
Fair value loss on investment properties	-	-	430	-	430
<b>Segment assets</b>	<b>8,436</b>	<b>23,973</b>	<b>1,672</b>	<b>-</b>	<b>34,081</b>
Segment assets includes:					
Additions to property, plant and equipment	1,552	-	-	-	1,552
<b>Segment liabilities</b>	<b>(5,690)</b>	<b>(6,454)</b>	<b>(804)</b>	<b>-</b>	<b>(12,948)</b>

#### 4. Segment and revenue information (Continued)

##### (a) Reportable segment (Continued)

	<b>F&amp;B S\$'000</b>	<b>BOP Services S\$'000</b>	<b>Investment Holdings S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total S\$'000</b>
<b><u>1 July 2021 to 30 September 2021</u></b>					
<b><i>Segment revenue:</i></b>					
Sales to external customers	1,388	16	-	-	1,404
Inter-segment sales	-	-	-	-	-
Total revenue	<u>1,388</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>1,404</u>
<b>Segment (loss)/profit</b>	<b><u>(133)</u></b>	<b><u>28</u></b>	<b><u>(573)</u></b>	<b><u>27</u></b>	<b><u>(651)</u></b>
<b><u>1 January 2021 to 30 September 2021</u></b>					
<b><i>Segment revenue:</i></b>					
Sales to external customers	4,314	3,337	-	-	7,651
Inter-segment sales	-	-	-	-	-
Total revenue	<u>4,314</u>	<u>3,337</u>	<u>-</u>	<u>-</u>	<u>7,651</u>
<b>Segment (loss)/profit</b>	<b><u>(534)</u></b>	<b><u>3,047</u></b>	<b><u>(1,643)</u></b>	<b><u>27</u></b>	<b><u>897</u></b>
<b><i>Significant non-cash items:</i></b>					
Depreciation of property, plant and equipment	56	-	22	-	78
Amortisation of right-of-use assets	593	-	-	-	593
Amortisation of intangible assets	48	-	-	-	48
Fair value loss on investment properties	-	-	900	-	900
<b>Segment assets</b>	<b><u>8,400</u></b>	<b><u>36,361</u></b>	<b><u>2,862</u></b>	<b><u>-</u></b>	<b><u>47,623</u></b>
<b>Segment assets includes:</b>					
Additions to property, plant and equipment	<u>473</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>493</u>
<b>Segment liabilities</b>	<b><u>(5,462)</u></b>	<b><u>(7,298)</u></b>	<b><u>(759)</u></b>	<b><u>-</u></b>	<b><u>(13,519)</u></b>

#### 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 July 2022 to 30 September 2022</u>					
<b>Primary geographical markets</b>					
Singapore	-	1,548	151	107	1,806
People's Republic of China ("PRC")	-	-	-	-	-
Brunei	10	3	-	-	13
	<b>10</b>	<b>1,551</b>	<b>151</b>	<b>107</b>	<b>1,819</b>
<b>Timing of revenue recognition</b>					
At a point in time	16	1,551	-	-	1,567
Over time	(6)	-	151	107	252
	<b>10</b>	<b>1,551</b>	<b>151</b>	<b>107</b>	<b>1,819</b>
<u>1 January 2022 to 30 September 2022</u>					
<b>Primary geographical markets</b>					
Singapore	1	4,446	428	355	5,230
People's Republic of China ("PRC")	-	-	-	-	-
Brunei	20	15	-	-	35
	<b>21</b>	<b>4,461</b>	<b>428</b>	<b>355</b>	<b>5,265</b>
<b>Timing of revenue recognition</b>					
At a point in time	16	4,461	-	-	4,477
Over time	5	-	428	355	788
	<b>21</b>	<b>4,461</b>	<b>428</b>	<b>355</b>	<b>5,265</b>

#### 4. Segment and revenue information (Continued)

##### (c) 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 July 2021 to 30 September 2021</u>						
<b>Primary geographical markets</b>						
Singapore	-	1,143	-	128	88	1,359
People's Republic of China ("PRC")	-	-	16	-	-	16
Brunei	29	-	-	-	-	29
	<b>29</b>	<b>1,143</b>	<b>16</b>	<b>128</b>	<b>88</b>	<b>1,404</b>
<b>Timing of revenue recognition</b>						
At a point in time	26	1,143	-	-	-	1,169
Over time	3	-	16	128	88	235
	<b>29</b>	<b>1,143</b>	<b>16</b>	<b>128</b>	<b>88</b>	<b>1,404</b>
<u>1 January 2021 to 30 September 2021</u>						
<b>Primary geographical markets</b>						
Singapore	-	3,527	-	405	307	4,239
People's Republic of China ("PRC")	-	-	3,337	-	-	3,337
Brunei	75	-	-	-	-	75
	<b>75</b>	<b>3,527</b>	<b>3,337</b>	<b>405</b>	<b>307</b>	<b>7,651</b>
<b>Timing of revenue recognition</b>						
At a point in time	61	3,527	-	-	-	3,588
Over time	14	-	3,337	405	307	4,063
	<b>75</b>	<b>3,527</b>	<b>3,337</b>	<b>405</b>	<b>307</b>	<b>7,651</b>

## 5. (Loss)/Profit before tax

	Group 3-month Period Ended 30 Sep 2022 S\$'000	Group 3-month Period Ended 30 Sep 2021 S\$'000	Increase/ (Decrease) %	Group 9-month Period Ended 30 Sep 2022 S\$'000	Group 9-month Period Ended 30 Sep 2021 S\$'000	Increase/ (Decrease) %
(Loss)/Profit before tax is stated after charging/(crediting):						
Amortisation of right-of-use assets	107	205	(48)	647	593	9
Amortisation of intangible assets	1	11	(91)	22	48	(54)
Depreciation of property, plant and equipment	20	29	(31)	69	78	(12)
Fair value loss on investment properties	143	300	(52)	430	900	(52)
Personnel expenses	818	838	(2)	2,371	2,700	(12)
Rental expenses	8	30	(73)	30	85	(65)
Finance costs	284	46	N.M	114	144	(21)
Government grants and incentives	(100)	(166)	(40)	(278)	(490)	(43)
Rental rebate	(2)	(59)	(97)	(8)	(89)	(91)
Gain on disposal of property, plant and equipment	-	-	-	(31)	-	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 9-month Period Ended 30 Sep 2022 S\$'000	Group 9-month Period Ended 30 Sep 2021 S\$'000
<b>With related parties</b>		
Rental and foodstall related expenses	186	-
<b>With controlling shareholder of the Company</b>		
Rental expense	297	270
<b>With director of the Company/Group</b>		
Provision of corporate secretarial and legal services	71	110

## 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 30 September 2022 and 2021 are:

	Group 9-month Period Ended 30 September 2022 S\$'000	Group 9-month Period Ended 30 September 2021 S\$'000
<i>Statement of comprehensive income:</i>		
Current income tax		
- current income taxation	-	544
- (Over)/under provision in respect of previous years	(6)	8
	(6)	552
Deferred income tax		
- origination and reversal of temporary difference	(2)	(7)
Income tax (credit)/expense recognised in statement of comprehensive income	(8)	545



## 8. Loss per share

	Group 3-month Period Ended 30 September 2022	Group 3-month Period Ended 30 September 2021	Group 9-month Period Ended 30 September 2022	Group 9-month Period Ended 30 September 2021
Loss for the period attributable to equity holders of the Company (S\$'000)	(498)	(643)	(1,352)	(148)
Weighted average number of ordinary shares	188,993,260	186,370,549	188,993,260	186,370,549
Basic loss per share (cents)	<u>(0.26)</u>	<u>(0.35)</u>	<u>(0.72)</u>	<u>(0.08)</u>
Diluted loss per share (cents)	<u>(0.26)</u>	<u>(0.34)</u>	<u>(0.72)</u>	<u>(0.08)</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 (30 September 2021: 186,370,549) during the financial period.

Diluted 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 (30 September 2021: 190,993,260) during the financial period. The weighted average number of ordinary shares for diluted loss per share computation for the 9-month period ended 30 September 2021 has taken into consideration the share options granted to the employees under the GS Holdings Employee Share Option Scheme. The diluted loss per shares is the same as the basic loss per share for the 9-month period ended 30 September 2022 as the Company does not have any outstanding convertible securities.

## 9. Net assets value

	Group		Company	
	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
Net assets value per ordinary share (cents)	<u>9.54</u>	<u>10.60</u>	<u>2.82</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 30 September 2022 and 31 December 2021.

## 10. Property, plant and equipment

During the financial period, the Group and Company acquired assets amounting to S\$6,000 (30 September 2021: S\$48,000) and S\$ NIL (30 September 2021: S\$10,000) respectively in cash. As at 30 September 2022, the cost of property, plant and equipment acquired by the Group under lease arrangement amounts to S\$1,546,000 (30 September 2021: S\$445,000).

## 11. Investment properties

	<b>Group</b>	
	<b>30 Sep 2022</b>	<b>31 Dec 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
At 1 January	2,170	3,050
Fair value loss recognised in the statement of profit or loss	(430)	(880)
Disposal of an investment property	(450)	-
At 30 September/31 December	<u>1,290</u>	<u>2,170</u>

The fair value of investment property was determined based on the valuation performed by an independent valuer in January 2022. The fair value loss of S\$430,000 for the current period was estimated by the management, taking into account the remaining lease term of the investment property. The management will engage an independent valuer by year end to perform an annual valuation on the investment property in order to determine its fair value at year end. 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 property, the valuation of the investment property is based on the estimated future income stream to be achieved from the properties.

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

	<b>Group</b>	
	<b>30 Sep 2022</b>	<b>31 Dec 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Rental income	8	31
Gain on disposal of investment property	10	-
Direct operating expenses arising from investment properties that generated rental income	<u>50</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	
	30 Sep 2022 S\$'000	31 Dec 2021 S\$'000
<b>Unquoted equity shares, at cost</b>		
At 1 January	9,112	9,122
Incorporation of a subsidiary during the financial period/year	10	100
Strike off of a subsidiary during the financial period/year	-	(110)
At 30 September/31 December	9,122	9,112
 Impairment allowances:		
At 1 January	-	(110)
Strike off during the financial period/year	-	110
Allowance made during the financial period/year	(4,628)	-
At 30 September/31 December	(4,628)	-
 <b>Net carrying amount</b>	<b>4,494</b>	<b>9,112</b>

## 13. Intangible assets

	Group	
	30 Sep 2022 S\$'000	31 Dec 2021 S\$'000
Goodwill arising on business combination	4,373	4,373
Other intangible assets	317	316
	4,690	4,689

## 14. Trade and other receivables

	Group		Company	
	30 Sep 2022 S\$'000	31 Dec 2021 S\$'000	30 Sep 2022 S\$'000	31 Dec 2021 S\$'000
Trade receivables	7,323	7,688	-	-
Less: Allowance for impairment losses	(7,256)	(7,633)	-	-
	67	55	-	-
 Other receivables	20,285	21,648	2,398	2,633
Less: Allowance for impairment losses	-	(1)	(304)	(304)
	20,285	21,647	2,094	2,329
 <b>Total</b>	<b>20,352</b>	<b>21,702</b>	<b>2,094</b>	<b>2,329</b>

#### 14. Trade and other receivables (Continued)

Included in the Group's gross trade receivables as at 30 September 2022 are trade receivables amounting to approximately S\$7,230,720 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 February 2022. 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, 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 30 September 2022 is an amount of RMB 98.6 million (equivalent to approximately S\$19.9 million) which is receivables 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 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.

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.

#### 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 the 14 July 2022 and 14 August 2022 Announcement, 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, including his subsequent updates to Management and representation to the ARC on 10 November 2022 that he should be able to utilise his earmarked funds within the upcoming week(s), and has agreed to grant an extension for Mr Zhang to transfer the relevant Listed Shares and/or to make 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. In the event that the aggregate value of such Listed Shares and monthly instalments received by the Company pursuant to the Instalment Terms is insufficient to cover the sum of RMB100 million, Mr Zhang shall pay to the Company the outstanding balance together with the final monthly instalment. For details, please refer to the Company's announcement dated 14 August 2022.

The Board will be closely monitoring developments relating to the 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 if anything material comes to the Board's attention that warrants further disclosure to shareholders.

#### 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) understands from Mr Zhang that the encumbrance has yet to be discharged.

Included in the Group's cash and bank balances as at 30 September 2022 and 31 December 2021 is an amount of RMB20,451,0000 (equivalent to S\$4,338,000) 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\$4,338,000) 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

## 15. Cash and bank balances (Continued)

is the legal representative and authorised bank signatory of Wish Shanghai. 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\$4,338,000) 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 4 July 2022, the recent lockdown in Shanghai due to the fresh outbreak of COVID-19 pandemic which lasted for almost 2 months since early April 2022 has been lifted gradually since early June 2022. On 28 June 2022, the PRC authorities announced some relaxation measures for inbound travellers to the PRC, of which the authorities have slashed quarantine for inbound travellers to 10 days in total instead of 3 weeks. However, as the PRC authorities still impose lockdown in Shanghai from time to time and the Covid-19 situation in the PRC still remains uncertain, 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 legal representative and authorised bank signatory of Wish Shanghai so that the Group is able to ascertain the existence and the quantum of the bank balance amount of RMB20,451,0000 (equivalent to S\$4,338,000) held in Bank of China in the PRC has been further delayed. Nevertheless, the Company hopes to resolve these issues by year end.

## 16. Financial assets and financial liabilities

	Group		Company	
	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Financial assets</i>				
At amortised cost				
Trade and other receivables <sup>1</sup>	20,229	25,382	2,020	2,302
Cash and cash equivalents	5,190	6,036	110	102
	<u>25,419</u>	<u>31,418</u>	<u>2,130</u>	<u>2,404</u>
<i>Financial liabilities</i>				
At amortised cost				
Trade and other payables <sup>2</sup>	2,714	2,288	1,359	678
Loans and borrowings	4,692	5,000	-	-
	<u>7,406</u>	<u>7,288</u>	<u>1,359</u>	<u>678</u>

<sup>1</sup>This excludes GST receivables, deposits, prepayments.

<sup>2</sup>This excludes GST payables, deposits received and deferred incomes.

## 17. Loans and borrowings

	<b>Group</b>	
	<b>30 Sep 2022</b>	<b>31 Dec 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<u>Amounts repayable within one year</u>		
Secured	726	1,113
Unsecured	567	800
	<u>1,293</u>	<u>1,913</u>
<u>Amounts repayable after one year</u>		
Secured	1,356	1,978
Unsecured	2,043	1,109
	<u>3,399</u>	<u>3,087</u>
Total	<u>4,692</u>	<u>5,000</u>
	<b>Bank loans</b>	<b>Lease liabilities</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>		
<b>2022</b>		
Balance at 1 January 2022	3,040	1,960
Changes from financing cash flows:		
- Repayments	(958)	(643)
- Interest paid	(58)	(56)
Non-cash changes:		
- Interest expense	58	56
- New leases	-	1,546
- Offsetting with deposit paid	-	(50)
- Lease modification	-	(203)
Balance at 30 September 2022	<u>2,082</u>	<u>2,610</u>
Amounts repayable within one year	726	567
Amounts repayable after one year	<u>1,356</u>	<u>2,043</u>
Total	<u>2,082</u>	<u>2,610</u>
<b>2021</b>		
Balance at 1 January 2021	2,677	1,788
Changes from financing cash flows:		
- Proceeds	2,300	-
- Repayments	(1,937)	(816)
- Interest paid	(80)	(114)
Non-cash changes:		
- Interest expense	80	114
- New leases	-	988
Balance at 31 December 2021	<u>3,040</u>	<u>1,960</u>
Amounts repayable within one year	1,100	813
Amounts repayable after one year	<u>1,940</u>	<u>1,147</u>
Total	<u>3,040</u>	<u>1,960</u>

## 17. Loans and borrowings (Continued)

Total loans and borrowings amounted to S\$4,692,000 (31 December 2021: S\$5,000,000), of which S\$2,082,000 (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 30 September 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	
	30 Sep 2022 S\$'000	31 Dec 2021 S\$'000	30 Sep 2022 S\$'000	31 Dec 2021 S\$'000
Trade payables	269	253	-	-
Other payables	2,605	2,242	1,376	682
	<u>2,874</u>	<u>2,495</u>	<u>1,376</u>	<u>682</u>

## 19. Share capital

	Group and Company			
	30 Sep 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 30 September/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 30 September 2022, 31 December 2021 and 30 September 2021.



## 20. Reserves

	Group		Company	
	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Share options reserves	-	687	-	687
Currency translation reserve	676	1,324	-	-
Merger reserve	(8,611)	(8,611)	-	-
Asset revaluation reserve	2,919	2,919	-	-
	<u>(5,016)</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:

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>				
<b><u>Recurring fair value measurements</u></b>				
<b>30 September 2022</b>				
Non-financial asset:				
Investment properties	<u>-</u>	<u>-</u>	<u>1,290</u>	<u>1,290</u>
<b>31 December 2021</b>				
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 30 September 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 nine-month period 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 legal representative and authorised bank signatory of Wish Shanghai.

The Company has performed impairment assessment of property, plant and equipment, investments in subsidiaries and amounts due from subsidiaries in the previous reporting period. As a result of the impairment assessment on these assets, the Company has made an allowance for impairment losses on investment in subsidiaries amounting to S\$4,628,000 in the previous reporting period. For goodwill and other intangible assets, the Company's policy is to perform the impairment test on these assets annually at year end and whenever there is indication that these assets may be impaired.

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 turning 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\$1 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 reported 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\$1 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 30 September 2022 ("3Q2022") as compared to the 3 months period ended 30 September 2021 ("3Q2021"), and 9 months period ended 30 September 2022 ("9M2022") as compared to the 9 months period ended 30 September 2021 ("9M2021"), where applicable

#### Revenue

	Group			Group		
	3 months period ended	3 months period ended	Increase /	9 months period ended	9 months period ended	Increase /
	30 Sep 2022	30 Sep 2021	(Decrease)	30 Sep 2022	30 Sep 2021	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
F&B revenue	1,819	1,388	31	5,265	4,314	22
BOP service fee income	-	16	(100)	-	3,337	(100)
	1,819	1,404	30	5,265	7,651	(31)

Revenue decreased by approximately S\$2.38 million or 31% from S\$7.65 million in 9M2021 to S\$5.27 million in 9M2022 mainly because there was no BOP service fee income in 9M2022 as all BOP service agreements and health management service agreements with the 14 BOP outlets have been terminated in the second half of 2021 as reported in the previous reporting periods. All the BOP service fee income for 9M2021 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.

Revenue for our F&B business increased by 22% in 9M2022 and 31% in 3Q2022, mainly due to the relaxation and lifting of dining restrictions and opening of borders by our Singapore government resulting in an increase in demand for our F&B services in the first half of 2022.

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

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

#### Cost of sales and gross profit

	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	3 months period ended 30 Sep 2022 S\$'000	30 Sep 2021 S\$'000		9 months period ended 30 Sep 2022 S\$'000	30 Sep 2021 S\$'000	
Food and beverage cost	558	475	17	1,683	1,498	12
Personnel expenses	454	472	(4)	1,272	1,506	(16)
Amortisation of right-of-use assets	107	205	(48)	647	593	9
Utilities	98	87	13	368	270	36
Subcontractors' expenses	(21)	(38)	(45)	-	92	100
Other cost of sales	107	104	3	356	371	(4)
	1,303	1,305	0	4,326	4,330	0

The above are main components of the Group's cost of sales. Overall, total cost of sales for the current reporting period was relatively consistent with the total cost of sales of the previous period despite no BOP service fee income in 9M2022 as the main component of the cost of sales of the BOP business is subcontractors' expenses.

The decrease in personnel expenses by 16% in 9M2022 and 4% in 3Q2022 is mainly due to closure of a halal eating house which was loss making and the resignation of a senior management staff in the first half of 2022.

The increase in the food and beverage cost and utilities expenses in both 9M2022 and 3Q2022 is in line with the improvement in our F&B revenue.

Significant decrease in the gross profit margin in 9M2022 is mainly attributable to the absence of BOP service fee income in second half of 2021 as discussed above.

#### Other income

Other income decreased by 28% and 40% in 9M2022 and 3Q2022 respectively, mainly due to lower receipt of government grants and rental rebates from landlords in the current reporting period as compared to these other incomes received in the previous period.

#### Administrative expenses

Administrative expenses decreased by 6% and 4% in 9M2022 and 3Q2022 respectively, mainly due to the decrease in fair value loss on investment properties in the current reporting period as compared to such loss in the previous period.

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

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

#### Finance costs

For the first 9 months period ended 30 September 2022, finance costs decreased by approximately 20% or S\$29,000, mainly due to progressive repayment of bank loans and lease liabilities during the period.

### B. Condensed Interim Consolidated Balance Sheet

The following review of the financial position of the Group is in relation to 30 September 2022 as compared to 31 December 2021.

#### Non-current assets

Property, plant and equipment (“PPE”) increased by S\$0.59 million from S\$1.90 million as at 31 December 2021 to S\$2.49 million as at 30 September 2022, mainly due to recognition of right-of-use assets by the Group amounting to approximately S\$1.35 million (net of lease modification) during the period, offset by depreciation charge of S\$69,000 and amortisation of right-of-use assets of S\$647,000 during the period.

Investment properties decreased by S\$0.88 million, mainly due to fair value loss during the period amounting to S\$0.43 million and disposal of investment property amounting to S\$0.45 million.

#### Current assets

Trade and other receivables decreased by S\$1.35 million, mainly due to receipt sum of HK\$1 million (approximately S\$0.18 million) during the period 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.

Cash and cash equivalent decreased by S\$0.85 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 increased by S\$0.31 million, mainly due to recognition of new lease liabilities during the period. The increase was partially offset by progressive repayment of bank loans and lease liabilities during the period.

## 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\$379,000, mainly due to increase in deferred income arising from gas purchase rebate received in advance during the period and accrual for professional fees.

Current loans and borrowings decreased by S\$620,000, mainly due to progressive repayment of bank loans and lease liabilities during the period.

Tax payables decreased by S\$278,000, mainly due to the translation difference during the period.

#### Equity

Overall, the Group's total equity decreased by S\$2.27 million from S\$23.40 million as at 31 December 2021 to S\$21.13 million as at 30 September 2022. The decrease was mainly due to the net loss of S\$1.45 million incurred during the period and currency translation differences arising from consolidation of S\$0.81 million.

### C. Condensed Interim Consolidated Cash Flow Statement

Overall, the Group reported a net decrease in cash and cash equivalents of S\$0.85 million from S\$6.04 million as at 31 December 2021 to S\$5.19 million as at 30 September 2022.

The decrease was mainly due to repayment of bank loans and lease liabilities as well as interest payment amounting to S\$1.72 million.

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

- a. Net operating cash inflows of S\$0.15 million;
- b. Proceeds from disposal of investment property of S\$0.46 million; and
- c. Proceeds from disposal of PPE of S\$70,000.

**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 August 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 30 September 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 materialises 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*

Our indirect wholly owned subsidiary, Sing Zhong Brands Management Pte. Ltd., has received draft proposals on the development of the 10 PRC-influenced F&B brands from Action Culture Pte Ltd. However, in view of the worsening Covid-19 situations in the PRC in the first half of 2022, the Group has not finalised the proposals with Action Culture or instructed them to proceed to create and develop the F&B brands.

*(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.



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 by 30 November 2022. Currently, both parties are in close discussions on exploring other potential countries in which to set 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.

**(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 30 September 2022 as 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 discloseable 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. Confirmation pursuant to Rule 705(5) of the Catalist Rules**

On behalf of the Board of Directors of the Company, we, Pang Pok and Lim Kee Way Irwin, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the financial period ended 30 September 2022 to be false or misleading in any material aspects.

**10. 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.

**11. 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.

**BY ORDER OF THE BOARD**

**Pang Pok**  
**Chief Executive Officer and Executive Director**

14 November 2022