

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst, GS Holdings Limited is required by SGX-ST to announce its quarterly financial statements.



GS Holdings Limited and its Subsidiaries

Unique Entity Number: 201427862D

Condensed Interim Financial Statements

For the quarter ended 31 March 2024

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Condensed interim consolidated statement of profit or loss and other comprehensive income

Period Ended 31 March 2024

	Note	The Group		Change %
		3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000	
Revenue	5.2	2,574	1,860	38.4
Cost of sales		(2,049)	(1,441)	42.2
Gross profit		525	419	25.3
Other income		161	124	29.8
Administrative expenses		(676)	(722)	-6.4
Finance costs		(53)	(37)	43.2
Loss before tax	7.1	(43)	(216)	-80.1
Income tax credit	8	1	1	N.M.
Loss for the period		(42)	(215)	-80.5
Other comprehensive income, net of tax:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences arising on consolidation		(21)	(22)	-4.5
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Currency translation differences arising on consolidation attributed to non-controlling interests		(6)	4	N.M.
Other comprehensive income for the period		(27)	(18)	50.0
Total comprehensive income for the period		(69)	(233)	-70.4
Loss for the period attributable to:				
Equity holders of the Company		(35)	(205)	-82.9
Non-controlling interests		(7)	(10)	-30.0
		(42)	(215)	-80.5
Total comprehensive income attributable to:				
Equity holders of the Company		(56)	(227)	-75.3
Non-controlling interests		(13)	(6)	116.7
		(69)	(233)	-70.4
Loss per share (cent per share)				
- Basic and diluted		(0.02)	(0.11)	

N.M. : Not meaningful

Condensed interim statements of financial position
As at 31 March 2024

	Note	The Group		The Company	
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Intangible assets	11	739	747	–	–
Property, plant and equipment	12	707	568	–	–
Right-of-use assets	13	1,260	1,516	63	72
Investments in subsidiaries		–	–	4,494	4,494
Investments property	14	360	480	–	–
Total non-current assets		3,066	3,311	4,557	4,566
Current assets					
Inventories		85	83	–	–
Trade and other receivables		513	512	45	38
Amount due from subsidiaries		–	–	75	4
Cash and cash equivalents		546	593	13	6
Total current assets		1,144	1,188	133	48
Total assets		4,210	4,499	4,690	4,614
Non-current liabilities					
Loans and borrowings	15	868	1,034	–	–
Convertible loan	16	480	–	480	–
Lease liabilities		632	800	30	39
Deferred tax liabilities		41	42	–	–
Total non-current liabilities		2,021	1,876	510	39
Current liabilities					
Trade and other payables	17	4,094	4,314	1,471	1,527
Amount due to subsidiaries		–	–	1,219	1,385
Loans and borrowings	15	782	835	–	–
Lease liabilities		949	1,050	37	36
Total current liabilities		5,825	6,199	2,727	2,948
Total liabilities		7,846	8,075	3,237	2,987
Net (liabilities)/assets		(3,636)	(3,576)	1,453	1,627

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

**Condensed interim statements of financial position
As at 31 March 2024**

	Note	The Group		The Company	
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Equity					
Share capital	18	21,488	21,488	21,488	21,488
Equity component of convertible loan	16	9	–	9	–
Reserves		(5,739)	(5,718)	–	–
Accumulated losses		(17,912)	(17,877)	(20,044)	(19,861)
Equity attributable to equity holders of the Company		(2,154)	(2,107)	1,453	1,627
Non-controlling interests		(1,482)	(1,469)	–	–
Total equity		(3,636)	(3,576)	1,453	1,627

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

Condensed interim statements of changes in equity
Period ended 31 March 2024

Group	Attributable to equity holders of the Company						Total equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
	Share capital S\$'000	Equity component of convertible loan S\$'000	Currency translation reserve S\$'000	Merger reserve S\$'000	Asset revaluation reserve S\$'000	Accumulated losses S\$'000			
At 1 January 2023	21,488	–	238	(8,611)	2,919	(3,391)	12,643	2,911	15,554
Loss for the period	–	–	–	–	–	(205)	(205)	(10)	(215)
<u>Other comprehensive income</u>									
Currency translation differences arising from consolidation	–	–	(22)	–	–	–	(22)	4	(18)
Total comprehensive income for the period	–	–	(22)	–	–	(205)	(227)	(6)	(233)
As at 31 March 2023	21,488	–	216	(8,611)	2,919	(3,596)	12,416	2,905	15,321
At 1 January 2024	21,488	–	(26)	(8,611)	2,919	(17,877)	(2,107)	(1,469)	(3,576)
Loss for the period	–	–	–	–	–	(35)	(35)	(7)	(42)
<u>Other comprehensive income</u>									
Currency translation differences arising from consolidation	–	–	(21)	–	–	–	(21)	(6)	(27)
Total comprehensive income for the period	–	–	(21)	–	–	(35)	(56)	(13)	(69)
Issuance of convertible loan	–	9	–	–	–	–	9	–	9
As at 31 March 2024	21,488	9	(47)	(8,611)	2,919	(17,912)	(2,154)	(1,482)	(3,636)

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

Condensed interim statements of changes in equity (cont'd)
Period ended 31 March 2024

Company	Share capital S\$'000	Equity component of convertible loan S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 January 2023	21,488	–	(16,575)	4,913
Loss for the period, representing total comprehensive income for the period	–	–	(235)	(235)
As at 31 March 2023	21,488	–	(16,810)	4,678
At 1 January 2024	21,488	–	(19,861)	1,627
Loss for the period, representing total comprehensive income for the period	–	–	(183)	(183)
Issuance of convertible loan	–	9	–	9
As at 31 March 2024	21,488	9	(20,044)	1,453

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

Condensed interim consolidated statement of cash flows
Period ended 31 March 2024

	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000
Cash flows from operating activities		
Loss before tax	(43)	(216)
Depreciation of property, plant and equipment	86	14
Depreciation of right-of-use assets	239	164
Amortisation of intangible assets	8	4
Fair value loss on investment property	120	120
Interest expense	53	37
Unrealised foreign exchange loss	–	(65)
	463	58
Operating cash flows before changes in working capital		
<u>Changes in working capital</u>		
Inventories	(3)	2
Trade and other receivables	(5)	(107)
Trade and other payables	(381)	161
Currency translation adjustments	–	(224)
	74	(110)
Net cash flows generated from/(used in) operating activities		
Cash flows from investing activities		
Purchase of property, plant and equipment	(82)	(35)
	(82)	(35)
Net cash flows used in investing activities		
Cash flows from financing activities		
Interest paid	(29)	(37)
Loan from a substantial shareholder	–	298
Net proceeds from issuance of convertible loan	489	–
Repayment of bank loans	(219)	(180)
Repayment of lease liabilities	(277)	(282)
	(36)	(201)
Net cash flows used in financing activities		
Net decrease in cash and cash equivalents	(44)	(346)
Effect of exchange rate changes on cash and cash equivalents	(3)	(6)
Cash and cash equivalents at beginning at 1 January	593	5,016
Cash and cash equivalents at 31 March	546	4,664

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

Notes to the condensed interim consolidated 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 22 Sin Ming Lane, Midview City #04-73, Singapore 573969.

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.

The BOP services business segment is currently inactive following the termination of all the BOP service agreements and health management services agreement with the previous BOP customers in July and August 2021.

2. Basis of preparation

The condensed interim financial statements for the financial period ended 31 March 2024 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 31 December 2023.

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.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. 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 year ended 31 December 2023.

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.

3. Going concern assumption

For the period ended 31 March 2024, the Group generated a net loss after tax of S\$42,000 (31 March 2023: net loss after tax of S\$215,000). As at 31 March 2024, the Group's current liabilities exceeded the Group's current assets by S\$4,681,000 (31 December 2023: S\$5,011,000) and is in a negative equity balance of S\$3,636,000 (31 December 2023: S\$3,576,000). The Company's current liabilities also exceeded the current assets by S\$2,594,000 (31 December 2023: S\$2,900,000).

Notwithstanding this, in the opinion of the Board of Directors of the Company, the financial statements are prepared on a going concern basis as the Company and its subsidiaries have adequate resources, including financing from (i) the Convertible Loan amounting to S\$1 million, of which S\$500,000 have been received as at the date of this report, (ii) a share placement of S\$500,000 which has been completed as at the date of this report, and (iii) a renewed letter of commitment from a substantial shareholder of the Company, who is also the Chief Executive Officer of the Company, for loans of up to S\$2,000,000 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\$2,000,000 financial support.

The Company is currently finalising its proposed corporate exercise to raise funds for working capital and business expansion purposes.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business. Adjustments may then have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the Group and Company's balance sheets. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the financial statements.

4. Seasonal operations

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

5. 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.

GS Holdings Limited and its Subsidiaries

5.1 Reportable segments

	F&B		BOP Services		Investment Holdings		Total	
	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000
Sales to external customers	2,574	1,860	–	–	–	–	2,574	1,860
Other income	159	122	–	–	2	2	161	124
Total revenue and other income	2,733	1,982	–	–	2	2	2,735	1,984
Depreciation of right-of-use assets	(230)	(164)	–	–	(9)	–	(239)	(164)
Depreciation of property, plant and equipment	(86)	(14)	–	–	–	–	(86)	(14)
Amortisation of intangible assets	(8)	(4)	–	–	–	–	(8)	(4)
Fair value loss on investment property	–	–	–	–	(120)	(120)	(120)	(120)
Finance costs	(46)	(37)	–	–	(7)	–	(53)	(37)
Segment profit/(loss)	347	177	11	(42)	(401)	(351)	(43)	(216)
Loss before taxation							(43)	(216)
Income tax credit							1	1
Loss for the period							(42)	(215)

GS Holdings Limited and its Subsidiaries

5.1. Reportable segments (cont'd)

	F&B		BOP Services		Investment Holdings		Total	
	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000
Segment assets	4,217	5,973	354	27,125	4,617	8,333	9,188	41,431
Inter-segment assets							(5,446)	(13,877)
Goodwill							468	4,373
Total assets per statement of financial position							4,210	31,927
Additions to property, plant and equipment	218	35	–	–	–	–	218	35
Additions to right-of-use assets	–	293	–	–	–	–	–	293
Expenditures for segment non-current assets	218	328	–	–	–	–	218	328
Segment liabilities	6,543	7,428	3,656	12,547	3,320	2,129	13,519	22,104
Inter-segment liabilities							(5,714)	(9,855)
Deferred tax liabilities							41	44
Total liabilities per statement of financial position							7,846	12,293

5.2. Disaggregation of revenue

	The Group	
	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000
<hr/>		
Types of goods or services:		
- Sale of food and beverage	2,293	1,631
- Rental income from food stalls	160	140
- Service income	115	82
- Franchise fee and royalty income	6	7
	<hr/> 2,574	1,860
Timing of revenue recognition:		
- At a point in time	2,299	1,638
- Over time	275	222
	<hr/> 2,574	1,860
Geographical information:		
- Singapore	2,568	1,853
- Brunei	6	7
	<hr/> 2,574	1,860

GS Holdings Limited and its Subsidiaries

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 March 2024 and 31 December 2023:

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 March 2024							
Financial assets							
Trade and other receivables *	446	–	446				
Cash and cash equivalents	546	–	546				
	992	–	992				
Financial liabilities							
Trade and other payables ^	3,647	–	3,647				
Loans and borrowings	1,650	–	1,650	–	–	1,650	1,650
Convertible loan	480	–	480	–	–	480	480
Lease liabilities	1,581	–	1,581	–	–	1,581	1,581
	7,354	–	7,354				

* Excludes GST receivables and prepayments.

^ Excludes GST payables and deferred income.

6. Financial assets and financial liabilities (cont'd)

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 December 2023							
Financial assets							
Trade and other receivables *	453	–	453				
Cash and cash equivalents	593	–	593				
	<u>1,046</u>	<u>–</u>	<u>1,046</u>				
Financial liabilities							
Trade and other payables ^	3,839	–	3,839				
Loans and borrowings	1,869	–	1,869	–	–	1,869	1,869
Lease liabilities	1,850	–	1,850	–	–	1,850	1,850
	<u>7,558</u>	<u>–</u>	<u>7,558</u>				

* Excludes prepayments.

^ Excludes GST payables and deferred income.

6. Financial assets and financial liabilities (cont'd)

Company	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 March 2024							
Financial assets							
Trade and other receivables *	8	-	8				
Amount due from subsidiaries	75	-	75				
Cash and cash equivalents	13	-	13				
	96	-	96				
Financial liabilities							
Trade and other payables	1,471	-	1,471				
Amount due to subsidiaries	1,219	-	1,219				
Convertible loan	480	-	480	-	-	480	480
Lease liabilities	67	-	67	-	-	67	67
	3,233	-	3,233				

* Excludes GST receivables and prepayments.

6. Financial assets and financial liabilities (cont'd)

Company	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 December 2023							
Financial assets							
Trade and other receivables *	7	–	7				
Amount due from subsidiaries	4	–	4				
Cash and cash equivalents	6	–	6				
	17	–	17				
Financial liabilities							
Trade and other payables ^	1,527	–	1,527				
Amount due to subsidiaries	1,385	–	1,385				
Lease liabilities	75	–	75	–	–	75	75
	2,987	–	2,987				

* Excludes prepayments.

7. Loss before taxation

7.1 Significant items

The following items have been included in arriving at loss from operating activities:

	The Group	
	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000
Amortisation of intangible assets	8	4
Depreciation of property, plant and equipment	86	14
Depreciation of right-of-use assets	239	164
Fair value loss on investment property	120	120
Staff costs	1,032	848
Rental expenses	32	28
Finance costs	53	37
Government grants and incentives	(116)	(75)

7.2 Related party transactions

- (a) 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:

	The Group	
	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000
<u>With related parties</u>		
Rental and food stall related expenses	83	78
<u>With substantial shareholder/director of the Company</u>		
Rental expenses	99	99
Loan received	-	298
<u>With director of the Company</u>		
Provision of consultancy services	-	8

Related parties comprise mainly companies which are controlled by close family member of the controlling shareholder of the Company.

7. Loss before taxation (cont'd)

7.2 Related party transactions (cont'd)

(b) Key management personnel compensation

	The Group	
	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000
Directors' fees	36	44
Salaries and bonuses	170	150
Contributions to defined contribution plans	13	11
	219	205
Directors of the Company	109	105
Key executives of the Group	110	100

8. Taxation

The Group calculates the income tax credit for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit for the financial period ended 31 March 2024 and 2023 are:

	The Group	
	3 months ended 31 Mar 2024 S\$'000	3 months ended 31 Mar 2023 S\$'000
<i>Statement of comprehensive income:</i>		
Deferred income tax		
- origination and reversal of temporary difference	(1)	(1)
Income tax credit recognised in statement of comprehensive income	(1)	(1)

9. Net asset value

	The Group		The Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Net asset value per ordinary share (cents)	(1.14)	(1.11)	0.77	0.86

The net asset value per ordinary share as at 31 March 2024 is calculated based on 188,993,260 (31 December 2023: 188,993,260) ordinary shares in issue (excluding treasury shares).

10. 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:

	The Group			Total S\$'000
	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	
<u>Recurring fair value measurements</u>				
31 March 2024				
Non-financial asset:				
Investment property	-	-	360	360
31 December 2023				
Non-financial asset:				
Investment property	-	-	480	480

11. Intangible assets

	The Group	
	31 Mar 2024	31 Dec 2023
	S\$'000	S\$'000
Goodwill arising on business combination	4,373	4,373
Less: Accumulated impairment of goodwill	(3,905)	(3,905)
Goodwill arising on business combination, net of impairment	468	468
Other intangible assets	271	279
	739	747

Impairment assessment

Goodwill and intangible assets acquired through business combination have been allocated to the relevant cash-generating units (“CGUs”), which are attributable to the food and beverages segment, for impairment testing at 31 December 2023 as follows:

	The Group
	Sing Swee Kee CGU
	31 Dec 2023
	S\$'000
Goodwill	468
Intangible asset - Brand name	264

The recoverable amounts of the CGUs have been determined from have been determined based on value in use using discounted cash flow forecasts covering a five-year period. The key assumptions for the value-in-use calculations are those regarding the budgeted revenue growth rate, budgeted gross margin, terminal growth rate and discount rate as follows:

	The Group
	Sing Swee Kee CGU
	31 Dec 2023
	%
Budgeted revenue growth rate ⁽¹⁾	5
Budgeted gross margin ⁽²⁾	22
Terminal growth rate ⁽³⁾	2
Discount rate ⁽⁴⁾	8.3

(1) Estimated average annual growth rate for the next five-year period.

(2) Budgeted gross margin for the next five-year period.

(3) Terminal growth rate used to extrapolate cash flows beyond the five-year period.

(4) Discount rate applied to cash flow projections.

11. Intangible assets (cont'd)

Budgeted revenue growth rate is based on past performance and management's assessment of future trends and development in the relevant markets. Budgeted gross margin is based on past performance. Terminal growth rate does not exceed the average long-term growth rate for the relevant markets. Discount rate reflects current market assessments of the time value of money and the risks specific to the CGUs.

Following the impairment testing, no impairment loss is recognised for the Sing Swee Kee CGU at 31 December 2023.

Sensitivity analysis

Management is of the view that any sensitivity analysis disclosed for the Hao Kou Wei Group CGU is not meaningful as the goodwill for the Hao Kou Wei Group CGU is fully impaired in the previous financial year.

Management believes that the change in the estimated recoverable amount from any reasonably possible change in any of the above key assumptions would not cause the recoverable amount to be materially lower than the carrying amount of the Sing Swee Kee CGU.

As there are no impairment indicators at 31 March 2024, no impairment assessment was carried out.

12. Property, plant and equipment

During the three months ended 31 March 2024, the Group acquired assets amounting to S\$218,000 (31 March 2023: S\$35,000), out of which S\$136,000 remained payable as at 31 March 2024.

13. Right-of-use assets

Right-of-use assets is arising from leases for foodstalls and workspace entered into by the Group and Company.

During the three months ended 31 March 2024, the Group and Company did not enter into any new lease (31 March 2023: the Group entered into new lease resulting in the addition to right-of-use assets of S\$293,000).

14. Investment property

	The Group	
	31 Mar 2024	31 Dec 2023
	S\$'000	S\$'000
At the beginning of financial year	480	920
Fair value loss recognised in the statement of profit or loss	(120)	(440)
	360	480

The fair value of the investment property as at 31 December 2023 was determined based on the valuation performed by an independent valuer in January 2024. 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 comparable market transactions of similar properties and the estimated future income stream to be achieved from the property.

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

	The Group		The Company	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Direct operating expenses arising from investment properties that generated rental income	12	15	-	-

15. Loans and borrowings

	The Group	
	31 Mar 2024	31 Dec 2023
	S\$'000	S\$'000
<u>Amount repayable within one year</u>		
Secured	782	835
<u>Amount repayable after one year</u>		
Secured	868	1,034
Total loans and borrowings	1,650	1,869

15. Loans and borrowings (cont'd)

Details of collaterals

Total loans and borrowings amounting to S\$1,650,000 as at 31 March 2024 (31 December 2023: S\$1,869,000) 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;
- (iv) personal guarantee from a director of the borrowing subsidiary for some portions of the loans; and
- (v) all cash and bank balances of the borrowing subsidiaries.

16. Convertible loan

On 25 January 2024, the Company obtained a convertible loan of S\$1,000,000 from a lender. The convertible loan is to be disbursed in two equal tranches. The Company received the first tranche of S\$500,000 on 1 February 2024.

Interest is charged at 5.00% per annum that is payable quarterly in arrears and the loan is unsecured and repayable 24 months from the date of drawdown or may be converted into shares of the Company at the option of the lender at the conversion rate of 1 share per S\$0.0243 of the loan.

The fair value of the liability component is calculated using a market interest rate for an equivalent convertible loan at the date of drawdown. The residual amount, representing the value of the equity conversion component, is included in equity, net of transaction costs.

The carrying amount of the liability component of the convertible loan at the end of the reporting period is arrived as follows:

The Group and Company	31 Mar 2024
	S\$'000
Fair value of convertible loan	500
Equity component of convertible loan	(9)
Transaction costs	(11)
	<hr/>
Liability component of convertible loan (non-current)	480
	<hr/>

17. Trade and other payables

	The Group		The Company	
	31 Mar 2024 S\$'000	31 Dec 2023 S\$'000	31 Mar 2024 S\$'000	31 Dec 2023 S\$'000
Trade payables - third parties	378	533	-	-
Other payables				
- Third parties	650	663	290	282
- Director	34	34	-	-
- Dividend payable to non-controlling interest	500	500	-	-
Deposit received - third parties	91	72	4	4
Accrued expenses	1,346	1,389	529	593
Amount due to a substantial shareholder	648	648	648	648
	3,647	3,839	1,471	1,527
Deferred income	365	399	-	-
GST payables	82	76	-	-
	4,094	4,314	1,471	1,527

18. Share capital

	The Group and the Company			
	31 Mar 2024		31 Dec 2023	
	No. of shares	S\$'000	No. of shares	S\$'000
<u>Issued and fully paid ordinary shares</u>				
At the beginning and the end of financial period/year	188,993,260	21,488	188,993,260	21,488

The total number of issued shares excluding treasury shares as at 31 March 2024 was 188,993,260 (31 December 2023: 188,993,260). There were no changes in the issued share capital of the Company since the last period reported on.

The Company did not hold any treasury shares and subsidiary holdings as at 31 March 2024 and 31 December 2023.

During the financial period, the Company issued convertible loan of S\$500,000 that is unsecured and repayable 24 months from the date of drawdown or may be converted into shares of the Company at the option of the lender at the conversion rate of 1 share per S\$0.0243 of the loan. Refer to Note 16 for more information on the convertible loan issued.

19. Commitments and contingencies

Assistance with Investigation

As set out in the Company's announcement dated 30 October 2023, the Company has received a letter dated 26 October 2023 from the Commercial Affairs Department ("CAD") and the Monetary Authority of Singapore ("MAS") pursuant to Section 20 of the Criminal Procedure Code 2010 requiring the Company to provide certain information and documents in relation to an investigation into an offence under the Securities and Futures Act 2001 ("Investigation"). Mr. Pang Pok, the Company's Executive Director and Chief Executive Officer also attended an interview with CAD to assist in the Investigation.

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 Company has handed over all requested information/documents to the relevant CAD officer and the directors of the Company (the "Board") and management will extend their full cooperation to CAD and MAS to assist with the Investigation, if required.

The Board and management 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. As at the date of these financial statements, there are no further material developments on the matter.

20. Subsequent events

- a) The Company had on 25 January 2024 entered into a Convertible Loan Agreement with Eliza Investment Pte. Ltd. (Note 16) pursuant to which the Lender has agreed to extend to the Company a loan amount of up to S\$1,000,000.

Pursuant to the Convertible Loan Agreement, the loan amount which is disbursed (and all interest accruing thereon) may be converted into new ordinary shares of the Company on the terms and subject to the conditions of the Convertible Loan Agreement.

As of the date of these financial statements, the Company has received the first tranche of the loan amounting to S\$500,000. According to the Convertible Loan Agreement, the remaining amount of S\$500,000 will be disbursed within three (3) months from the date of the Convertible Loan Agreement subject to the Company having formulated and announced to the Singapore Exchange Securities Trading Limited ("SGX-ST") such fund raising and/or appropriate corporate exercise(s) on terms acceptable to the Lender.

On 24 April 2024, the Company obtained a mutual agreement with the Lender to extend the validity period for the second tranche drawdown until 30 June 2024.

- b) On 27 March 2024, Mr Chong Paw Long, the Chief Financial Officer of the Company, has tendered his resignation and his last day of employment will be 21 May 2024.

On 1 April 2024, the Company has announced the appointment of Mr Ng Wai Jif as the new Chief Financial Officer.

20. Subsequent events (cont'd)

- c) The Company had on 1 April 2024 entered into a share subscription agreement (the "Subscription Agreement") with ZTS Holdings Pte. Ltd. (the "Subscriber") which the Company shall issue an aggregate of 29,239,766 shares (the "Placement Shares") and allot to the Subscriber such number of ordinary shares in the capital of the Company (the "Placement"). Each Placement Share shall be issued at the issue price of S\$0.0171.

Completion of the Placement is conditional upon the following:

- (i) the receipt by the Company from the SGX-ST of the approval in-principle for the listing of and quotation for the Placement Shares on the Catalist Board of the SGX-ST (the "Listing Approval") and such Listing Approval not being revoked or amended, and any condition(s) attached to the Listing Approval which is/are required to be fulfilled on or before the date of issue of the Placement Shares, having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST; and
- (ii) the Company having obtained all relevant approvals from its shareholders for the allotment and issuance of the Placement Shares to the Subscriber, such approvals as may be required under Section B of the Listing Manual: Rules of Catalist of SGX-ST, and such approvals remaining in full force and effect and not being revoked or amended prior to the date of issue of the Placement Shares,

Pursuant to the Subscription Agreement, the Placement shall be completed within 5 market days after the fulfilment of the Conditions.

The estimated net proceeds from the Placement, after deducting expenses of approximately S\$34,000 incurred in connection with the Placement, is expected to amount to approximately S\$466,000.

As announced on 27 April 2024, the Company had completed the Placement on 26 April 2024. As of date of the report, the Company had utilised \$53,000 out of the net proceeds for working capital purposes.

- d) On 3 May 2024, Mr Pang Pok ("Mr Pang") has tendered his resignation from his position as an Executive Director of the Company with effect from 1 June 2024. Following Mr Pang's resignation, he will remain as the Chief Executive Officer of the Company and continue to manage the operations of the Group.

Other Information Required by Catalyst Rule (“Rule”) Appendix 7C

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

The condensed consolidated statement of financial position of GS Holdings Limited and its subsidiaries as at 31 March 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Where the figures have been audited or reviewed, the auditors’ report (including any qualification or emphasis of a matter)

Not applicable.

2A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern) :-

The audit opinion in the Independent Auditor’s Report dated 9 April 2024 for the Company’s financial statements for financial year ended 31 December 2023 included a disclaimer of opinion, Material Uncertainty Related to Going Concern and Emphasis of Matter, collectively the “**Audit Opinion**”.

Please refer to the Company’s announcement dated 12 April 2024 in addressing the audit issues highlighted in the Audit Opinion.

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

3. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group	
	3 months ended 31 Mar 2024	3 months ended 31 Mar 2023
(Singapore Cents)		
(a) Based on weighted average number of ordinary shares in issue	(0.02)	(0.11)
(b) On a fully diluted basis	(0.02)	(0.11)

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 March 2023: 188,993,260) during the financial period.

The basic and diluted earnings per ordinary share are the same for 3 months ended 31 March 2024 and 31 March 2023 because there were no potentially dilutive ordinary securities as at 31 March 2024 and 31 March 2023 respectively. Convertible loan (Note 16) issued by the Company is antidilutive as the conversion would result in a decrease in loss per share.

4. Review of performance of the Group

Revenue

	Group		Increase / (Decrease) %
	3 months period ended 31 Mar 2024 S\$'000	31 Mar 2023 S\$'000	
F&B revenue	2,574	1,860	38.4

F&B revenue increased by approximately S\$714,000 in the 3 months period ended 31 Mar 2024 ("1Q2024") as compared to 3 months period ended 31 Mar 2023 ("1Q2023"), mainly due to additional revenue contributed by F&B outlets opened by the Group after 1Q2023. There were additional five F&B outlets as compared to 1Q2023, including three chicken rice stalls located at Sengkang Grand Mall, Tampines Mart and Surbana Jurong Campus, a cafe located in Funan Mall and a food court located in Surbana Jurong Campus.

Profitability

The main components of the Group's cost of sales are:

	Group		Increase/ (Decrease) %
	3 months period ended 31 Mar 2024 S\$'000	31 Mar 2023 S\$'000	
Food and beverage costs	702	577	21.7
Staff costs	637	469	35.8
Depreciation of right-of-use assets	239	164	45.7
Depreciation of property, plant and equipment	86	14	N.M.
Utilities	114	101	12.9
Other cost of sales	271	116	133.6
	2,049	1,441	39.8

Food and beverage costs increased in line with the increase in revenue. Staff costs increased due to additional manpower hired to meet the operational demand and partially attributed to salary increment as compared to 1Q2023.

Depreciation of right-of-use assets increased by 45.7% due to additional F&B outlets rented in 1Q2024. Depreciation of property, plant and equipment increased by approximately S\$72,000 mainly due to fixed assets addition relating to the new F&B outlets opened subsequent to 1Q2023.

Other cost of sales increased by approximately S\$155,000 mainly attributable to higher variable rent as a result of higher revenue and higher delivery platform fee resulted from higher delivery orders.

Gross profit margin declined marginally mainly due to the higher fixed cost of depreciation charges recorded in 1Q2024.

Administrative expenses decreased by 6.4% mainly due to lower professional fee recorded during the current financial period.

4. Review of performance of the Group (cont'd)

Profitability (cont'd)

Finance costs increased by 43.2% mainly due to additional bank loans and convertible loan obtained after 1Q2023 and higher lease liabilities interest arising from additional leases entered into due to the new F&B outlets opened in 1Q2024 as compared to 1Q2023.

Movement in comprehensive income

As noted in the statement of comprehensive income, there was a foreign currency translation loss amounting to S\$27,000 (1Q2023: S\$18,000). Translation loss was mainly due to the depreciation of RMB against SGD on the China entities with RMB as its functional currency.

Balance Sheet

Non-current assets decreased by S\$245,000 mainly due to decrease in right-of-use assets and investment property. Right-of-use assets decreased by S\$256,000 mainly due to the depreciation charged during the financial period. Investment property decreased by S\$120,000 due to the fair value loss recognised in 1Q2024. The decrease was partially offset by an increase in property, plant and equipment of S\$139,000 mainly due to additional fixed assets acquired during the financial period that was partially offset by the depreciation charged.

Cash and cash equivalent decreased by S\$47,000 during the financial period. Reasons for the decrease are provided below under Cash Flow section.

Non-current liabilities increased by S\$145,000 mainly due to issuance of convertible loan amounting to S\$500,000 (Note 16) during the financial period, of which the liability component of the convertible loan amounted to S\$480,000. The increase was partially offset by decreases in loans and borrowings and lease liabilities arising from the reclassification of the non-current portion of loans and borrowings and lease liabilities to current liabilities.

Current liabilities decreased by S\$374,000 mainly due to decreases in trade and other payables, lease liabilities, loans and borrowings as a result of payments made in 1Q2024.

Cash Flow

Overall, the Group reported a net decrease in cash and cash equivalents of S\$47,000 from S\$593,000 as at 31 December 2023 to S\$546,000 as at 31 March 2024.

The decrease was mainly due to the following items:

- a. purchase of property, plant and equipment amounting to S\$82,000; and,
- b. payment of bank loans, lease liabilities and interest expenses amounting to S\$525,000.

The decrease was partially offset by the following items:

- a. net cash generated from operating activities of S\$74,000; and
- b. net proceeds from convertible loan of S\$489,000.

5. 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 29 February 2024.

6. 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 known factors or events that may affect the Group in the next operating period and the next 12 months

F&B business

The Group's F&B companies are currently all operating in Singapore. As at 31 March 2024, the Group has 11 F&B establishments which include 3 food courts/coffee shops under the "Hao Kou Wei" brand name, 1 chicken rice restaurant and 4 chicken rice stalls in food courts under the "Sing Swee Kee" brand name, 1 food kiosk under "Sing Swee Kee Express" brand name, 1 halal chicken rice stall in the food court under the 'Rasa Chicken' brand name and 1 cafe under the brand name of "Raffles Coffee".

As the Group currently operates in Singapore, it will closely monitor the inflationary effect in the market that has resulted in rising cost and will implement strategies to maintain the profitability of the F&B business.

BOP / Health Management Services business

Similar to the previous reporting period, the Group expects that there will be no revenue and income from this division in the next 3 to 12 months.

There are other business opportunities that 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.

7. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(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) Date 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.

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

No dividend has been declared or recommended for the financial period ended 31 March 2024 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.

9. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). 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.

10. Utilisation of proceeds from convertible loan and private placement

	Convertible Loan S\$'000	Private Placement S\$'000
Net proceeds	489	466
<u>Use of proceeds:</u>		
Working capital	(489)	(53)
Balance	—	413

The above utilisation is largely in line with the intended use as stated in the announcement dated 26 January 2024 and 1 April 2024 in respect of the convertible loan and private placement respectively.

11. Additional information required pursuant to Rule 706A

The Company did not acquire or dispose of any shares resulting in any of the prescribed situations under Rule 706A during the 3 months ended 31 March 2024.

12. 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)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

13. Confirmation by the Directors pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company hereby confirms to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three-month period ended 31 March 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim Kee Way Irwin
Independent and Non-Executive Chairman

13 May 2024

This announcement has been prepared by GS Holdings Limited (the “Company”) and its contents have been reviewed by Evolve Capital Advisory 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 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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