



**GS HOLDINGS LIMITED**



**ANNUAL  
REPORT  
2022**

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The annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr Jerry Chua, at 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906, telephone (65) 6241 6626.

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## CORPORATE PROFILE



新瑞记  
SING SWEE KEE

**GS Holdings Limited** (“**GS Holdings**” or the “**Company**” and together with its subsidiaries, the “**Group**”), has a diversified business model with an aim to create continuous streams of income.

GS Holdings was listed on the Catalist Board of the SGX-ST on 18 January 2016.

Initially, the Group was principally involved in the business of providing end-to-end cleaning services for Singapore’s food and beverage (“**F&B**”) industry with a focus on centralised commercial dishware washing services. The Group ceased its dishware

washing services following the disposal of the loss-making dishware washing business which was completed in mid-January 2020.

Since 2019, the Group ventured into the following 2 new businesses with the aim of diversifying our business model and creating additional streams of income:

- (1) F&B business
- (2) Branding, Operation and Procurement Services

## OUR BUSINESS

### 1) F&B BUSINESS

Through our wholly owned subsidiaries, Hao Kou Wei Pte. Ltd., Rasa Sayang Village Pte. Ltd., Sing Swee Kee Pte. Ltd. and Raffles Coffee Pte. Ltd., the Group is in the business of operating and managing foodcourts, coffeeshops, eating houses, F&B stalls and kiosks.

Currently, the Group operates two foodcourts/ coffeeshops, a chicken rice restaurant under the **"Sing Swee Kee"** brand name, one food kiosk under the **"Sing Swee Kee Express"** brand name and four chicken rice stalls in food courts.

In addition to operating F&B establishments, the Group is also involved in developing and managing new F&B brands and concepts, with a new local coffee café under the brand name of Raffles Coffee & Toast.

With an experienced team in branding and franchising to spearhead new growth opportunities in Singapore and Asia, the Group's Brunei Franchisee operating under the brand name of Rasa Chicken by Sing Swee Kee is currently operating two outlets in Brunei.

To further expand its F&B presence, the Group has entered into a franchise agreement to expand its chicken rice brand, SING SWEE KEE, and Hainanese-styled coffee brand, Raffles Coffee & Toast, into China in 2023.



Hao Kou Wei



RAFFLES 瑞福  
COFFEE & TOAST



新瑞记  
SING SWEE KEE

## OUR BUSINESS

### 2) BRANDING, OPERATION AND PROCUREMENT (“BOP”) SERVICES

Through the Company’s 80%-owned subsidiary, Wish Hospitality Holdings Private Limited, the Group provides BOP services to its clients in China, particularly to companies that are in the F&B and health-care industry.

The BOP business offers client a comprehensive and integrated solution to their business needs and entails, among others, services relating to:

- (i) branding management,
- (ii) operational support,
- (iii) central procurement,
- (iv) recruitment, customised training and development of human resource.

The BOP services provided by the Group offer a one-stop solution to setting up and management of F&B outlets, the healthy lifestyle centres and/or the healthcare-related industry in the People’s Republic of China (“**PRC**”). By using our services, our clients can focus on growing their brands and revenue, while outsourcing the administrative, marketing, operation and procurement tasks to the Group.

Following the termination of all the BOP service agreements and health management service agreements by our PRC BOP customers with us in July and August 2021 as announced previously, there were no revenue and income from this division in FY2022. The Group also expects that there will be no revenue and income from this division in the near future.



# CHAIRMAN'S MESSAGE



## DEAR SHAREHOLDERS

On behalf of the Board of Directors of GS Holdings Limited ("**GS Holdings**" or the "**Company**" and together with its subsidiaries, the "**Group**") and the Chief Executive Officer, it is my pleasure to present to you GS Holdings' Annual Report for the financial year ended 31 December 2022 ("**FY2022**").

In FY2022, our F&B revenue increased by approximately 19%, mainly due to improvement in our F&B business as a result of relaxation and lifting of dining restrictions and opening of borders by our Singapore government in the first half of 2022. The improvement in our F&B revenue was also due to opening of more F&B outlets in food courts and eating places with good locations in the second half of FY2021.

On our BOP business, I have mentioned in my last year's message that our BOP customers had decided to terminate all the BOP service agreements and health management service agreements with us in July and August 2021 due to commercial reasons, mainly because the businesses of these outlets had been negatively affected by the COVID-19 pandemic and the strict restrictive measures taken by the PRC government in curbing the spread of the COVID-19 virus. Therefore, there were no revenue and income from this division in FY2022.

As a result of the improvement in our F&B business, the Group reported a significant improvement in both revenue and earnings for FY2022 as compared to the revenue and earnings of FY2021. Revenue increased by approximately S\$1.15 million from S\$5.96 million in FY2021 to S\$7.11 million in FY2022, while net loss decreased significantly from approximately S\$10.42 million (which includes a full allowance for impairment losses of S\$7.48 million made on trade receivables relating to the BOP business) in FY2021 to a net loss of approximately S\$6.43 million. The details are discussed in the Operations and Financial Review section.

# CHAIRMAN'S MESSAGE

## POST PANDEMIC GROWTH

As the COVID-19 pandemic situation in Singapore and around the world continues to improve since the beginning of 2022, the Group plans to relaunch expansion plans which the Group had deferred since 2020 with the outbreak of the COVID-19 pandemic. In 2023, the Group will continue to pursue expansion plans through the opening up of more F&B outlets in key locations, strategic development of new F&B brands, concepts and the selling of franchise rights locally and overseas. As announced by the Company on 16 March 2023, the Group has signed a master franchise agreement with De Run Elderly Care Property Management (Guangdong) Group Co. Ltd. ("**De Run**"), 德润养老产业管理集团(广东)有限公司, to expand its chicken rice brand, SING SWEE KEE, and Hainanese-styled coffee brand, Raffles Coffee & Toast, into China. The first SING SWEE KEE outlet in China is expected to be opened by third quarter of 2023 and there are plans by the master franchisee to open additional outlets of SING SWEE KEE and Raffles Coffee & Toast over the next twelve months. Hence, this master franchise agreement to bring our two unique F&B brands into China is a significant milestone for our franchise business.

Other than the above, 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.

## DIVIDENDS

In view of the losses incurred by the Company and the Group during the year, the Board has not recommended any dividend for FY2022.

## A NOTE OF APPRECIATION

On behalf of the Board, I would like to thank the management team and employees for their dedication; our valued customers and business partners for their strong support and last but not least, our shareholders for their unwavering faith in GS Holdings.

I would like to take this opportunity to thank Mr Chong Eng Wee for his efforts and contributions towards the Group during his tenure as Director. Mr Chong retires as Director of GS Holdings at the conclusion of the upcoming annual general meeting.

## ZHANG RONGXUAN

*Non-Independent and Non-Executive Chairman*

## OPERATIONS & FINANCIAL REVIEW

### REVENUE

Revenue from F&B increased by 19% or approximately S\$1.15 million from S\$5.96 million in FY2021 to S\$7.11 million in FY2022. The increase in F&B revenue was mainly due to improvement in the Group's F&B business as a result of relaxation and lifting of dining restrictions and opening of borders by the Singapore government in the first half of 2022. The improvement in our F&B revenue was also due to opening of more F&B outlets in food courts and eating places with good locations in the second half of FY2021.

The rental income from food stalls has also increased due to food stalls being fully rented out during the year. The income from royalty fee, on the other hand, decreased due to slow picking up of business at the franchisees.

### COST OF SALES AND GROSS PROFIT

Cost of sales in FY2022 decreased by 5% or approximately S\$0.30 million despite the higher revenue recorded in FY2022. The decrease was mainly attributable to the decrease in personnel expenses and amortization of right-of-use assets as a result of closure of a halal eating house in early 2022. During FY2022, there was no subcontractors' expenses incurred following the termination of all BOP service agreements and health management service agreement in FY2021. The decrease was offset partially by the increase in F&B costs and utilities which are in line with the improvement in the Group's F&B revenue.

As a result of the above, the Group achieved a gross profit of S\$1.43 million as compared to a gross loss of S\$0.01 million recorded in FY2021.

### OTHER INCOME

Other income decreased by 39% or approximately S\$0.34 million from S\$0.87 million in FY2021 to S\$0.53 million in FY2022, mainly due to lower receipt of government grants and rental rebates from landlords. The decrease was partially offset by gain on disposal of property, plant and equipment ("PPE") and investment property during the year.

### NET IMPAIRMENT LOSS ON NON-FINANCIAL ASSETS

Net impairment loss on non-financial assets of S\$4.18 million relates to impairment loss provided on goodwill recognised from the acquisition of Hao Kou Wei Group amounting to S\$3.91 million and impairment loss on PPE amounting to S\$0.27 million.

### ADMINISTRATIVE EXPENSES

Administrative expenses increased by 12% or approximately S\$0.45 million, mainly due to the higher professional fee incurred and impairment loss on property, plant and equipment provided in FY2022.

### FINANCE COSTS

Finance costs decreased by 27% or approximately S\$52,000, mainly due to progressive repayment of bank loans and lease liabilities during the year and adjustment to finance lease interest.





# OPERATIONS & FINANCIAL REVIEW



## FINANCIAL POSITION

### NON-CURRENT ASSETS

PPE decreased by S\$0.68 million, mainly due to PPE depreciation charge of S\$0.75 million (including amortization of right-of-use assets of S\$0.67 million) and impairment loss on PPE of S\$0.27 million provided during the year. The decrease was partially offset by additions in PPE amounted to S\$0.38 million.

Investment property decreased by S\$1.25 million, due to fair value loss during the year amounting to S\$0.8 million and disposal of investment property amounting to S\$0.45 million. The fair value loss provided during the year was based on the latest valuation report prepared by an independent and qualified valuer. The professional valuer holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

Intangible assets decreased by S\$3.91 million, mainly due to the impairment loss on goodwill of S\$3.91 million recognised during the year.

### CURRENT ASSETS

Trade and other receivables decreased by S\$2.17 million. The decrease was mainly due to the currency translation loss as a result of weakening of China Renminbi against Singapore Dollar exchange rates during the year and receipt of proceeds from the partial disposal of the 5,000,000 Listed Shares and sum of HK\$1 million worth approximately S\$0.3 million as at 31 December 2022 from Mr Zhang Rongxuan as part of the settlement of amount due from him.

Cash and cash equivalent decreased by S\$1.02 million during the year. Reasons for the decrease are provided below under the Cash Flows section.

### NON-CURRENT LIABILITIES

Non-current loans and borrowings decreased by S\$1.14 million, mainly due to progressive repayment of bank loans and lease liabilities during the year. The decrease was partially offset by the recognition of new lease liabilities during the year.

### CURRENT LIABILITIES

Trade and other payables increased by S\$1.06 million, mainly due to accruals for professional fees and receipt of loans from a controlling shareholder.

## OPERATIONS & FINANCIAL REVIEW

Current loans and borrowings decreased by S\$0.61 million, mainly due to progressive repayment of bank loans and lease liabilities during the year.

Tax payables decreased by S\$0.49 million, mainly due to the currency translation difference during the year.

### EQUITY

Overall, the Group's total equity decreased by S\$7.85 million from S\$23.40 million as at 31 December 2021 to S\$15.55 million as at 31 December 2022. The decrease was mainly due to the net loss of \$6.43 million incurred during the year and currency translation differences arising from consolidation of S\$1.41 million.

### CASH FLOWS

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

The decrease was mainly due to repayment of bank loans and lease liabilities as well as interest payment amounting to S\$2.20 million. The decrease was partially offset by the cash flows generated from the following items:

- (a) Net operating cash flows of S\$0.67 million;
- (b) Proceeds from disposal of investment property of S\$0.46 million; and
- (c) Loans from a controlling shareholder of S\$0.35 million

### OPERATION PERFORMANCE

#### F&B business

The Group's F&B companies are currently all operating in Singapore. As at 31 December 2022, the Group has six F&B establishments which include two 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.

Revenue from F&B has improved in FY2022 mainly due to improvement in the Group's F&B business as a result of relaxation and lifting of dining restrictions and opening of borders by the Singapore government in the first half of 2022. Besides that, opening of more F&B outlets in food courts and eating places with good locations in the second half of FY2021 also contributed to the better performance in FY2022.

#### BOP service business

There were no revenue and income from this division in FY2022 as all our previous BOP customers had terminated all the BOP service agreements and health management service agreements with us in July and August 2021 due to commercial reasons.

## BOARD OF DIRECTORS

Mr Zhang was appointed to our Board on 3 September 2019. He is currently the President, Chief Executive and Director of Jufeel International Group. Mr Zhang is also a director and sole shareholder of Henan Jufeel Technology Group Co. Ltd. ("**Henan Jufeel**"). The principal activity of Henan Jufeel relates to the development and sale of aloe vera related-health products and beverages. Mr Zhang established China's largest aloe vera planting base in Hainan province and is regarded in China as an expert in the aloe vera industry.

Mr Zhang holds a Doctor of Business Administration degree from the Business Institute of Pennsylvania, USA and a Bachelor Degree in accountancy and auditing from the Wuhan University. Mr Zhang is also an undergraduate from the School of Chinese Medical of Nanjing University and he is currently an honorary professor at the School of Pharmaceutical and Life Sciences of Changzhou University, People's Republic of China.



**ZHANG RONGXUAN**

NON-INDEPENDENT AND  
NON-EXECUTIVE CHAIRMAN

Mr Pang Pok was appointed to the Board on 19 September 2014. He was last re-elected as a Director at the Annual General Meeting on 25 June 2020. Mr Pang Pok is responsible for the Group's overall management, including overseeing its operations, setting directions for new growth areas and developing business strategies. Mr Pang brings with him over 20 years of experience in the F&B industry and has led the expansion and innovation of our business and operations. He has been instrumental in our Group's growth, having founded four out of the five of our Group's companies in 2012, and having served since 1999 as a director on the board of Hawkerway Pte. Ltd.

Mr Pang was awarded the Public Service Medal by the Singapore President's Office in 2011 and the Long Service Award by the People's Association in 2013. He also serves as Vice President of the Hainan Business Club, Honorary Deputy Treasurer of the Yuying Secondary School Management Committee, Vice Chairman of the Qinghai Association (Singapore) and Vice President of the Guang Wu Club.



**PANG POK**

EXECUTIVE DIRECTOR AND  
CHIEF EXECUTIVE OFFICER

## BOARD OF DIRECTORS

Mr Chong Eng Wee is our Non-Executive and Lead Independent Director and was appointed to our Board on 10 January 2019. He chairs our Nominating Committee and is a member of our Audit and Risks and Remuneration Committees.

Mr Chong is the Managing Director and heads the Corporate & Capital Markets Practice at Chevalier Law LLC. He is admitted as an Advocate and Solicitor in Singapore, Solicitor of the High Court of Hong Kong, Lawyer of the Supreme Court of New South Wales, Australia, and a Barrister and Solicitor of the High Court of New Zealand.

Prior to founding his own firm, he was a Partner and Head of Corporate at Kennedys Legal Solutions Pte. Ltd., a joint law venture between Kennedys Law LLP and Legal Solutions LLC, the Deputy Head of both the Capital Markets and the International China (South East Asia) practices at RHTLaw Taylor Wessing LLP and the representative for the Shanghai representative office of another joint law venture firm, Duane Morris & Selvam LLP in Singapore.

His areas of practice include capital markets, mergers and acquisitions, private equity, funds, China ("**PRC**"), private wealth, corporate and commercial contracts, regulatory compliance, and corporate governance. He has advised issuers, issue managers, underwriters and placement agents, private equity funds, multinational corporations, high net-worth individuals and small and medium enterprises on transactions including initial public offerings ("**IPO**"), pre-IPO investment, dual listings, reverse takeovers, public takeovers, rights and warrants issues, placement, local and cross border acquisitions and disposals of shares and assets, downstream investment by private equity funds, joint ventures, and corporate restructuring. He has advised clients on variable capital companies, establishment of family offices and their tax incentives and applications to the Monetary Authority of Singapore pertaining to capital market service licenses and registered fund management companies. He has also acted in various cross border transactions with PRC elements, and frequently advises issuers on their regulatory compliance and corporate governance issues. He was ranked as Singapore's Top 40 Most Influential Lawyers aged 40 and under by Singapore Business Review (2015).

Other than his directorship at GS Holdings Limited, Mr Chong is currently the lead independent and non-executive director at Heatec Jietong Holdings Ltd. since April 2018 and independent and non-executive director of OEL (Holdings) Limited since June 2020, all of which are SGX-ST Catalist listed companies.

He is also the Company Secretary of Sincap Group Limited since November 2021, LHN Logistics Limited since August 2021, both SGX-ST Catalist listed companies, Shanghai Turbo Enterprises Ltd., a SGX-ST Mainboard listed company since October 2022, China Vanadium Titano-Magnetite Mining Company Limited, a company listed on Mainboard of the Hong Kong Stock Exchange since December 2019, and LHN Limited, listed on both SGX-ST Catalist Board and the Mainboard of Hong Kong Stock Exchange since April 2020.



**CHONG ENG WEE**

LEAD INDEPENDENT DIRECTOR

## BOARD OF DIRECTORS

Lim Kee Way Irwin is our Independent Director and was appointed to our Board on 3 May 2019. He is currently the Operating Partner and Chief Financial Officer of Novo Tellus Capital Partners, a private equity firm, focusing on industrial and technology investments. Mr Lim is concurrently the chief financial officer of Novo Tellus Alpha Acquisition ("**NTAA**"), a SPAC company listed on the mainboard of SGX. Mr Lim is also a director with Inflexion Ventures Private Ltd and a non-executive director with Novoflex Group.

Mr Lim began his career in 1990 as a senior development officer with the Economic Development Board of Singapore. In 1993, he joined Technomic International Inc., a United States headquartered consulting firm specialising in market penetration and investment strategies, initially as an associate and was promoted to senior associate in 1995. Subsequently in 1996, Mr Lim joined Transpac Capital Pte Ltd, a venture capital and private equity firm, as a senior investment manager, responsible for investment and portfolio management in the Asia Region.

In 2000, he joined Murray Johnstone Private Equity as associate director, and later in the same year joined Asiavest Partners, TCW/YFY (S) Private Ltd. as executive director where he headed the firm's investment in the South East Asia region.

Mr Lim joined United Test and Assembly Center Ltd in 2003, as the group vice-president of corporate development, where he helped spearhead the listing of the company in 2004. He subsequently assumed the role of group chief financial officer from 2007 to 2013 where he was responsible for the M&A as well as the financial, treasury, legal, corporate communications and investor relations functions of the group.

Mr Lim holds a Master of Science in Management from the Imperial College, University of London, and a Bachelor of Science in Industrial Engineering from Columbia University in the city of New York.



LIM KEE WAY IRWIN

INDEPENDENT DIRECTOR



## BOARD OF DIRECTORS

Mr Lim Chee San was appointed as an Independent Director of our Board on 17 October 2022. Mr Lim has been an accountant, a banker and a lawyer at different times during the past 40 years.

Mr Lim is currently a partner in his own law firm. In his law practice, besides litigation, he has advised clients on mergers and acquisitions, amalgamations, restructuring, capital reduction, drafting merger and acquisition, rental and other commercial agreements. He has also assisted companies in carrying out their amalgamation and restructuring (including scheme of arrangement) exercises. Before he started his law practice, he was the Head of Banking Operations in a large regional bank. He also has many years of experience as an auditor in large international accounting firms.

Other than his directorship in GS Holdings Limited, Mr Lim is also an independent director in Singapore Kitchen Equipment Limited (listed on the SGX-ST Catalist Board), Blackgold Natural Resources Limited (listed on the SGX-ST Catalist Board), Gallant Venture Ltd (listed on SGX-ST Main Board) and Chemical Industries (Far East) Limited (listed on the SGX-ST Main Board).

Mr Lim is a Fellow of the Association of Chartered Certified Accountants, UK and a member of the Singapore Institute of Chartered Accountants. He holds a Bachelor of Law Degree (Honours) from the University of London and is a Barrister-at-law, England. He is also a chartered information technology professional.



**LIM CHEE SAN**

INDEPENDENT DIRECTOR

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr. Pang Pok and Mr Lim Chee San are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 June 2023 ("**AGM**") (the "**Retiring Directors**").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7F to the Listing Manual Section B: Rules of Catalist of the SGX-ST is as follows:

	MR PANG POK	MR LIM CHEE SAN
Date of Appointment	19 September 2014	17 October 2022
Date of last re-appointment	25 June 2020	-
Age	66	63
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Pang Pok for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mr Pang Pok possesses the experience, expertise, knowledge and skills to assume the responsibility for the Group's overall management, including overseeing the operations, setting directions for new growth areas and developing business strategies.</p>	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lim Chee San for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Lim Chee San possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p> <p>Notwithstanding that Mr Lim currently holds five (5) board appointments in listed companies, Mr Lim has confirmed that he will be able to manage his schedule and commitments to ensure that he is able to carry out his duties adequately as a Director of the Company, and where applicable, he has obtained all relevant approval(s) from such listed companies to hold the current appointment as an Independent Director of the Company</p>

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR PANG POK	MR LIM CHEE SAN
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Pang Pok is responsible for the Group's overall management, including overseeing the operations, setting directions for new growth areas and developing business strategies.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer & Executive Director	Independent Director, Chairman of the Remuneration Committee, member of Audit and Risks Committee and Nominating Committee
Professional qualifications	Nil	<p>Member of the Chartered Association of Certified Accountants</p> <p>Member of the Chartered Accountants of Singapore</p> <p>Member of the British Computer Society</p> <p>Bachelor of Law (Honours) from University of London</p> <p>Barrister-at-Law (Lincoln's Inn) England</p> <p>Advocate &amp; Solicitor of the Supreme Court of Singapore</p>

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR PANG POK	MR LIM CHEE SAN
Working experience and occupation(s) during the past 10 years	<p>2019 to Present: Director of Raffles Brands Management (Shanghai) Co. Ltd</p> <p>2019 to Present: Director of Wish Health Management (Shanghai) Co. Ltd.</p> <p>2019 to Present: Director of Hao Kou Wei (Shanghai) Food and Beverage Management Co. Ltd.</p> <p>2019 to Present: Director of Raffles Coffee Pte. Ltd.</p> <p>2019 to Present: Director of Hao Kou Wei Food Group Pte. Ltd.</p> <p>2019 to Present: Director of Raffles Brands Pte. Ltd.</p> <p>2019 to Present: Director of Sing Swee Kee Pte. Ltd.</p> <p>2019 to Present: Director of Wish Hospitality Holdings Private Limited</p> <p>2019 to Present: Director of Hao Kou Wei Pte. Ltd.</p> <p>2013 to Present: Director of Yock Eng Education Fund Limited</p> <p>2012 to Present: Director of Bartley Kopi Pte. Ltd.</p> <p>2010 to Present: Director of GS Capital Pte. Ltd.</p>	<p>2004 to Present - Director of Panaudit Business Services Pte Ltd</p> <p>2005 to Present - Partner of TanLim Partnership</p> <p>2008 to Present - Director of Rees Property Consultants Pte Ltd</p> <p>2010 to Present - Director of Pan Services Pte Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	Yes. As of 23 May 2023, Mr Pang has, in aggregate, a direct and deemed interest in 71,739,705 Shares representing approximately 37.96% of the total number of issued shares (excluding treasury shares).	No

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR PANG POK	MR LIM CHEE SAN
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	<p>Ms. Ang Siew Kiock is Mr Pang's wife. She is the director of Hao Kou Wei Pte. Ltd., a subsidiary of the Company, and a substantial shareholder of the Company.</p> <p>Ms. Eliss Pang is Mr. Pang's daughter. She is the Director of Operations of the Group, and the director of Hao Kou Wei (Shanghai) Food and Beverage Management Co. Ltd., a subsidiary of the Company.</p>	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years)	<u>Outside the Group:</u>  <u>Nil</u>	<u>Outside the Group:</u>  Hupsteel Limited Soon Lian Holdings Limited Allied Technologies Limited Colex Holdings Limited



## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

		MR PANG POK	MR LIM CHEE SAN
Present		<p><u>Within the Group:</u></p> <p>Hao Kou Wei Food Group Pte. Ltd.</p> <p>Hao Kou Wei Pte. Ltd.</p> <p>Hawkerway Pte. Ltd.</p> <p>Raffles Brands Pte. Ltd.</p> <p>Raffles Coffee Pte. Ltd.</p> <p>Wish Hospitality Holdings Pte Ltd.</p> <p>Raffles Brands Management (Shanghai) Co. Ltd</p> <p>Wish Health Management (Shanghai) Co. Ltd.</p> <p>Hao Kou Wei (Shanghai) Food and Beverage Management Co. Ltd.</p> <p>Sing Swee Kee Pte. Ltd.</p> <p><u>Outside the Group:</u></p> <p>GS Capital Pte. Ltd.</p> <p>Bartley Kopi Pte. Ltd.</p> <p>Yock Eng Education Fund Limited</p>	<p><u>Outside the Group:</u></p> <p>Singapore Kitchen Equipment Limited</p> <p>Blackgold Natural Resources Limited</p> <p>Gallant Venture Ltd</p> <p>Chemical Industries (Far East) Limited</p> <p>4Ward Pte Ltd</p> <p>Panaudit Business Services Pte Ltd</p> <p>Rees Property Consultants Pte Ltd</p> <p>Pan Services Pte Ltd</p>
a)	Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

		MR PANG POK	MR LIM CHEE SAN
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c)	Whether there is any unsatisfied judgment against him?	No	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR PANG POK	MR LIM CHEE SAN	
f)	Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-  i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR PANG POK	MR LIM CHEE SAN
<p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>		
<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	<p>Yes.</p> <p>Mr Lim has been the subject of a past complaint to the Law Society of Singapore about conflict of interest. The complaint was dismissed at the Inquiry Committee Stage in May 2018. Save for the above, there has been no investigation against Mr Lim. Hence, Mr Lim has not been the subject of any current or past disciplinary proceedings and has not been reprimanded or issued any warnings by the Monetary Authority of Singapore or any other regulatory authority, SGX-ST, professional body or government agency, whether in Singapore or elsewhere.</p>

## KEY MANAGEMENT



**CHONG PAW LONG**

CHIEF FINANCIAL OFFICER



**ELISS PANG**

DIRECTOR OF OPERATIONS



**NG PENG THIAM**

GENERAL MANAGER (F&B DIVISION)

Mr Chong first joined the Group in March 2018 as the Financial Controller and was promoted to Chief Financial Officer in March 2019. He is responsible for all the financial and accounting functions and corporate matters of the Company and the Group.

Mr Chong has more than 30 years of working experience gained in different industries with various corporations and public listed companies in Singapore and overseas. Mr Chong graduated with a Bachelor of Accountancy degree.

Ms Pang joined the Group as Special Projects Manager in 2015 and was promoted to Director of Operations in June 2018.

As Director of Operations, Ms Pang is responsible for the overall planning, operations management and business development of our Group's food and beverages business. Ms Pang has previous experience in the food and beverage industry, managing a chain of food kiosks.

Ms Pang graduated with a Bachelor of Social Sciences from National University of Singapore and holds a Masters of Social Sciences in Professional Counselling from Swinburne of Technology Australia.

Mr Ng was appointed as the General Manager of the Food and Beverage ("**F&B**") division on 1 May 2023. He is responsible for overseeing the operations of the F&B division of the Group. Mr Ng is also tasked to spearhead the next phase of expansion of the Group's F&B business.

Mr Ng has over 20 years of working experience in the F&B industry in Singapore and overseas. His specialties are in setting up new F&B establishments and franchise expansion, both locally and overseas.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### ZHANG RONGXUAN

Non-Independent and Non-Executive Chairman

### PANG POK

Executive Director, Chief Executive Officer

### CHONG ENG WEE

Lead Independent Director

### LIM KEE WAY IRWIN

Independent Director

### LIM CHEE SAN

Independent Director

## AUDIT AND RISK COMMITTEE

LIM KEE WAY IRWIN (*Chairman*)  
CHONG ENG WEE  
LIM CHEE SAN

## NOMINATING COMMITTEE

CHONG ENG WEE (*Chairman*)  
LIM KEE WAY IRWIN  
LIM CHEE SAN

## REMUNERATION COMMITTEE

LIM CHEE SAN (*Chairman*)  
LIM KEE WAY IRWIN  
CHONG ENG WEE

## COMPANY SECRETARY

TAN WEI YANG

## REGISTERED OFFICE

680 Upper Thomson Road #02-01  
Singapore 787103  
Tel: +65 6235 0275  
Email: info@gsholdings.com.sg

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

IN.CORP CORPORATE SERVICES PTE. LTD.  
30 Cecil Street #19-08  
Prudential Tower  
Singapore 049712

## INDEPENDENT AUDITORS

MOORE STEPHENS LLP  
Public Accountants and Chartered Accountants  
10 Anson Road  
#29-15 International Plaza  
Singapore 079903

Partner-in-charge:  
Mr Ng Chiou Gee Willy  
(Date of appointment: Since financial year ended 31 December 2021)

## PRINCIPAL BANKERS

DBS BANK LTD.  
12 Marina Boulevard  
Tower 3 Marina Bay  
Financial Centre  
Singapore 018982

## UNITED OVERSEAS BANK LIMITED

80 Raffles Place  
UOB Plaza  
Singapore 048624

## SPONSOR

EVOLVE CAPITAL  
ADVISORY PRIVATE LIMITED  
138 Robinson Road #13-02  
Oxley Tower  
Singapore 068906

# CORPORATE GOVERNANCE

## DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND THE CATALIST RULES

The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company’s corporate governance structures and practices that were in place during the financial year ended 31 December 2022 (“**FY2022**”), with specific reference made to the principles and provisions of the Code of Corporate Governance issued in August 2018 (the “**Code**”).

The Board and the Management of the Company (the “**Management**”) have taken steps to align the corporate governance framework of the Company with the principles of the Code, and where there are deviations from the provisions in the Code, appropriate explanations are provided.

Provisions/ Principles/ Rules	Code Description	Company’s Compliance or Explanation
<b>BOARD MATTERS</b>		
<b>The Board’s Conduct of Affairs</b>		
Principle 1	The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.	The Company is headed by an effective Board, which is collectively responsible and works with the Management for the long-term success of the Company. Please refer to Provisions 1.1 to 1.7 below for more details and instances of the Company’s compliance with this principle.

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation														
Provision 1.1	<p>Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</p>	<p>Currently, the Board has five (5) Directors, three of whom are Independent Non-Executive Directors. The Directors of the Company as at the date of this statement are:-</p> <table border="1" data-bbox="746 674 1428 1106"> <thead> <tr> <th colspan="2" data-bbox="746 674 1428 725"><b>Table 1.1 - Composition of the Board</b></th> </tr> <tr> <th data-bbox="746 725 1046 777"><b>Name of Director</b></th> <th data-bbox="1051 725 1428 777"><b>Designation</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="746 777 1046 864">Pang Pok</td> <td data-bbox="1051 777 1428 864">Chief Executive Officer and Executive Director</td> </tr> <tr> <td data-bbox="746 864 1046 952">Zhang Rongxuan</td> <td data-bbox="1051 864 1428 952">Non-Independent and Non-Executive Chairman</td> </tr> <tr> <td data-bbox="746 952 1046 1003">Chong Eng Wee<sup>(1)</sup></td> <td data-bbox="1051 952 1428 1003">Lead Independent Director</td> </tr> <tr> <td data-bbox="746 1003 1046 1055">Lim Kee Way Irwin</td> <td data-bbox="1051 1003 1428 1055">Independent Director</td> </tr> <tr> <td data-bbox="746 1055 1046 1106">Lim Chee San<sup>(2)</sup></td> <td data-bbox="1051 1055 1428 1106">Independent Director</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Mr. Chong Eng Wee will not be seeking re-election and will retire as an Independent Director at the close of the Annual General Meeting ("AGM"). He will step down from his position as the Lead Independent Director of the Company, Chairman of the Nominating Committee, and member of the Audit and Risk Committee and Remuneration Committee.</p> <p>(2) Mr. Lim Chee San was appointed as an Independent Director, Chairman of Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee of the Company with effect from 17 October 2022.</p> <p>The Board is collectively entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principal functions are:</p> <p>(a) supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic objectives and direction;</p>	<b>Table 1.1 - Composition of the Board</b>		<b>Name of Director</b>	<b>Designation</b>	Pang Pok	Chief Executive Officer and Executive Director	Zhang Rongxuan	Non-Independent and Non-Executive Chairman	Chong Eng Wee <sup>(1)</sup>	Lead Independent Director	Lim Kee Way Irwin	Independent Director	Lim Chee San <sup>(2)</sup>	Independent Director
<b>Table 1.1 - Composition of the Board</b>																
<b>Name of Director</b>	<b>Designation</b>															
Pang Pok	Chief Executive Officer and Executive Director															
Zhang Rongxuan	Non-Independent and Non-Executive Chairman															
Chong Eng Wee <sup>(1)</sup>	Lead Independent Director															
Lim Kee Way Irwin	Independent Director															
Lim Chee San <sup>(2)</sup>	Independent Director															

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>(b) overseeing the process for evaluating the adequacy of internal control, risk management, financial reporting and compliance;</p> <p>(c) reviewing the performance of Management and overseeing succession planning for Management;</p> <p>(d) setting the Company's value and standards, and ensure that obligations to shareholders of the Company ("<b>Shareholders</b>") and other stakeholders are understood and met; and</p> <p>(e) providing overall corporate governance of the Company.</p> <p>All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to make objective decisions in the interests of the Group.</p> <p>All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. In any situation that involves a conflict of interest between any Director and the Company, such Director shall recuse himself or herself from participating in any discussion and decision on the matter.</p>

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 1.2	<p>Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.</p>	<p>The Company ensures that incoming new Directors are provided with a formal letter of appointment setting out their duties and obligations. They are given guidance and orientation, including onsite visits to get them familiarised with the Group's businesses, organisation structure, corporate strategies and policies and corporate governance practices upon their appointment and to facilitate the effective discharge of their individual duties.</p> <p>New Directors who do not have prior experience as a director of a public listed company in Singapore will attend training courses organised by the Singapore Institute of Directors ("<b>SID</b>") or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties and at the Company's expense. As announced by the Company on 14 October 2022, Mr. Lim Chee San had been appointed as an Independent Director of the Company with effect from 17 October 2022.</p> <p>Directors are updated regularly on any new developments or changes in applicable regulatory, legal and accounting frameworks that are of relevance to the Group during Board meetings or via electronic mail, and through participation in training courses, seminars and workshops at the Company's expense.</p> <p>New releases issued by the Singapore Exchange Securities Trading Limited (the "<b>SGX-ST</b>") and Accounting and Corporate Regulatory Authority ("<b>ACRA</b>") which are relevant to the Directors are circulated to the Board. Directors are also informed of upcoming conferences and seminars relevant to their roles as directors of the Company.</p> <p>The Board is briefed by the External Auditors (the "<b>EA</b>") on recent changes and amendments to the accounting standards, including amendments to the Singapore Financial Reporting Standards, and receives regulatory updates from time to time.</p> <p>The Chief Executive Officer (the "<b>CEO</b>") updates the Board at each meeting on the business and strategic developments of the Group.</p>



# CORPORATE GOVERNANCE

<b>Provisions/ Principles/ Rules</b>	<b>Code Description</b>	<b>Company's Compliance or Explanation</b>
Provision 1.3	The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.	<p>Matters that require the Board's approval, as decided by the Board, include, amongst others, the following:</p> <ul style="list-style-type: none"> <li>(a) approval of the Group's strategic objectives;</li> <li>(b) changes relating to the Group's capital structure, including reduction of capital, share issues and share buy backs;</li> <li>(c) major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals;</li> <li>(d) approval of the interim and full year's results announcements and release of annual reports;</li> <li>(e) approval of the dividend policy, declaration of the interim dividend and recommendation of the final dividend;</li> <li>(f) approval of material investments, divestments or capital expenditure;</li> <li>(g) approval of resolutions and corresponding documentation to be put forward to Shareholders at a general meeting, including approval of all circulars, prospectuses, etc; and</li> <li>(h) any decision likely to have a material impact on the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational matters.</li> </ul>

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																
Provision 1.4	Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.	<p>Board Committees, namely the Audit and Risk Committee (the "<b>ARC</b>"), the Remuneration Committee (the "<b>RC</b>"), and the Nominating Committee (the "<b>NC</b>") (collectively, the "<b>Board Committees</b>") have been constituted to assist the Board in the discharge of its responsibilities and each report back to the Board. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference, which are reviewed on a regular basis to ensure their continued relevance.</p> <p>The composition of each Board Committee is as follows:</p> <table border="1" data-bbox="743 987 1433 1182"> <caption><b>Table 1.4 - Composition of Board Committees<sup>(1)</sup></b></caption> <thead> <tr> <th></th> <th><b>ARC</b></th> <th><b>NC</b></th> <th><b>RC</b></th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Lim Kee Way Irwin</td> <td>Chong Eng Wee<sup>(1)</sup></td> <td>Lim Chee San<sup>(2)</sup></td> </tr> <tr> <td>Member</td> <td>Chong Eng Wee<sup>(1)</sup></td> <td>Lim Kee Way Irwin</td> <td>Chong Eng Wee<sup>(1)</sup></td> </tr> <tr> <td>Member</td> <td>Lim Chee San<sup>(2)</sup></td> <td>Lim Chee San<sup>(2)</sup></td> <td>Lim Kee Way Irwin</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Mr. Chong Eng Wee will not be seeking re-election and will retire as an Independent Director at the close of the AGM. He will step down from his position as the Lead Independent Director of the Company, Chairman of the Nominating Committee, and member of the Audit and Risk Committee and Remuneration Committee.</p> <p>(2) Mr. Lim Chee San was appointed as Independent Director, Chairman of Remuneration Committee and a member of Audit and Risk Committee and Nominating Committee of the Company with effect from 17 October 2022.</p> <p>In view of the retirement of Mr. Chong Eng Wee at the forthcoming AGM, the number of members in each of the ARC, RC and NC will fall below the minimum number of three. The Company shall endeavour to fill the vacancy within two (2) months but in any event not later than three (3) months.</p> <p>Information on the ARC, RC, and NC, their respective terms of reference, summaries of their activities and any delegation to them by the Board of its decision-making authority can be found in the subsequent sections of this Annual Report.</p>		<b>ARC</b>	<b>NC</b>	<b>RC</b>	Chairman	Lim Kee Way Irwin	Chong Eng Wee <sup>(1)</sup>	Lim Chee San <sup>(2)</sup>	Member	Chong Eng Wee <sup>(1)</sup>	Lim Kee Way Irwin	Chong Eng Wee <sup>(1)</sup>	Member	Lim Chee San <sup>(2)</sup>	Lim Chee San <sup>(2)</sup>	Lim Kee Way Irwin
	<b>ARC</b>	<b>NC</b>	<b>RC</b>															
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# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																																																																							
Provision 1.5	Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.	<p>The Board meets quarterly and more often when required to address any specific significant matters which may arise.</p> <p>The Company's constitution (the "<b>Constitution</b>") allows for meetings to be held through audiovisual communication equipment. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.</p> <p>The Board met six (6) times in FY2022 in person and through means of video conference or other forms of telecommunication, in line with government advisories amidst the COVID-19 pandemic. The number of Board and Board Committee meetings held, and the attendance of each Director at the meetings in FY2022 are as follows:-</p> <table border="1" data-bbox="746 1227 1428 1552"> <caption>Table 1.5 - Attendance of Directors at Company Meetings</caption> <thead> <tr> <th rowspan="2">Name of Director</th> <th colspan="2">Board</th> <th colspan="2">ARC</th> <th colspan="2">NC</th> <th colspan="2">RC</th> </tr> <tr> <th>No. of Meetings Held</th> <th>No. of Meetings Attended</th> <th>No. of Meetings Held</th> <th>No. of Meetings Attended</th> <th>No. of Meetings Held</th> <th>No. of Meetings Attended</th> <th>No. of Meetings Held</th> <th>No. of Meetings Attended</th> </tr> </thead> <tbody> <tr> <td>Zhang Rongxuan</td> <td>6</td> <td>1<sup>(3)</sup></td> <td>4</td> <td>-</td> <td>1</td> <td>-</td> <td>1</td> <td>-</td> </tr> <tr> <td>Pang Pok</td> <td>6</td> <td>6</td> <td>4</td> <td>-</td> <td>1</td> <td>-</td> <td>1</td> <td>-</td> </tr> <tr> <td>Chong Eng Wee</td> <td>6</td> <td>6</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Chan Chun Kit<sup>(1)</sup></td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Lim Kee Way Irwin</td> <td>6</td> <td>6</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Lim Chee San<sup>(2)</sup></td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Mr. Chan Chun Kit retired as Independent Director at the close of the AGM held on 19 July 2022 and stepped down from his position as the Chairman of the Remuneration Committee and as a member of each of the Audit and Risk Committee and Nominating Committee.</p> <p>(2) Mr. Lim Chee San was appointed as an Independent Director, Chairman of Remuneration Committee and a member of Audit and Risk Committee and Nominating Committee of the Company with effect from 17 October 2022.</p> <p>(3) While Mr. Zhang Rongxuan had been unable to attend most of the board meetings during FY2022, he had conveyed his views/instructions to Mr. Dou Le, the Administration Manager of Wish Hospitality Holdings Pte Ltd., for Mr. Dou Le to attend these meetings for and on his behalf, including providing updates for and on his behalf, so that he may be adequately represented at these meetings.</p>	Name of Director	Board		ARC		NC		RC		No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	Zhang Rongxuan	6	1 <sup>(3)</sup>	4	-	1	-	1	-	Pang Pok	6	6	4	-	1	-	1	-	Chong Eng Wee	6	6	4	4	1	1	1	1	Chan Chun Kit <sup>(1)</sup>	2	2	1	1	1	1	1	1	Lim Kee Way Irwin	6	6	4	4	1	1	1	1	Lim Chee San <sup>(2)</sup>	2	2	1	1	-	-	-	-
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# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 1.6	Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.	<p><u>Provision of information on an on-going basis</u></p> <p>Management provides the Board with relevant, complete, adequate and accurate information in a timely manner relating to matters to be brought before the Board on an on-going basis. Management ensures that the Company Secretary is provided with the relevant board papers to be circulated to the Board from time to time or to be submitted at Board meetings. Board papers adhere to a standard format which includes background information, issues for deliberation, and risk mitigation measures.</p> <p><u>Provision of information prior to meetings</u></p> <p>To give Directors sufficient time to prepare for Board and Board Committee meetings, the agenda and board papers are circulated by the Company Secretary to the Board at least one week before the relevant meeting. Directors can access these materials via their personal computers, laptops, smartphones and other mobile devices prior to, during and after meetings. Hard copies of these materials are also distributed to the Directors at the meetings. Members of Management who prepared the Board papers and can provide additional insight into matters at hand would be present at the relevant meeting.</p> <p>At the Board meetings, the Management provides the Board with quarterly reports on the Group's financial and business performance, and such explanation and information as the Board may require, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. The Board is also apprised of any significant developments on business initiatives, industry developments and regulatory updates.</p>

## CORPORATE GOVERNANCE

<b>Provisions/ Principles/ Rules</b>	<b>Code Description</b>	<b>Company's Compliance or Explanation</b>
Provision 1.7	Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.	<p>Mr. Chong Eng Wee, the Lead Independent Director, is the managing director of Chevalier Law LLC, which provides corporate secretarial services on a retainer basis and certain legal services to the Company. Notwithstanding the foregoing, where the Directors, whether individually or collectively, require independent professional advice in furtherance of their duties, the Company Secretary may assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company. The Directors have non-restricted access to Management.</p> <p>The appointment and the removal of the Company Secretary is subject to the approval of the Board as a whole. As announced by the Company on 14 July 2022 and as decided collectively by the Board, Mr. Tan Wei Yang was appointed as the Company Secretary in place of Ms. Lee Yi Han with effect on and from 25 July 2022.</p>
<b>Board Composition and Guidance</b>		
Principle 2	The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.	The Board considers that it has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. Please refer to Provisions 2.1 to 2.5 below for more details and instances of the Company's compliance with such principle.

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 2.1	An " <b>independent</b> " director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.	<p>The Board consists of five (5) members, four (4) of whom are Non-Executive Directors, and of the four (4) Non-executive Directors, three (3) of them are Independent Directors.</p> <p>During FY2022, notwithstanding the retirement of Mr. Chan Chun Kit at the AGM held on 19 July 2022, in view of the appointment of Mr. Lim Chee San as an Independent Director with effect from 17 October 2022, the majority of the Board consists of Non-Executive Directors, and more than half of the Board consists of Independent Directors. However, as Mr. Chong Eng Wee is retiring and will not be seeking re-election at the forthcoming AGM, to ensure that Independent Directors continue to make up a majority of the Board, the Company shall endeavour to appoint a new Independent Director as soon as practicable. Please refer to Provision 4.4 below for more information on the NC's determination of the independence of the Independent Directors.</p>
Provision 2.2	Independent directors make up a majority of the Board where the Chairman is not independent.	In view that Mr. Zhang Rongxuan, the Chairman of the Board, is not an independent director, the Board comprises a majority of three (3) Independent Directors (out of a five (5) member Board) who are Independent Directors. However, as Mr. Chong Eng Wee will be retiring and will not be seeking re-election at the forthcoming AGM, to ensure that Independent Directors continue to make up a majority of the Board, the Company shall endeavour to appoint a new Independent Director as soon as practicable.
Provision 2.3	Non-executive directors make up a majority of the Board.	The Board consists of a majority of four (4) Non-Executive Directors (out of a five (5) member Board).

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 2.4	<p>The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.</p>	<p>The Board has adopted the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> <li>(a) Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary to enhance the efficacy of the Board; and</li> <li>(b) Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.</li> </ul> <p>The NC will consider the results of the above review and evaluation in its recommendation for the appointment of new directors and/or the re-appointment of incumbent Directors.</p> <p>Taking into account the nature and scope of the Group's business, in concurrence with the NC, the Board believes that the current size of the Board and Board Committees is appropriate and that the composition of the Board and Board Committees (as set out in Tables 1.1 and 1.4 above) provide sufficient diversity without interfering with efficient decision making.</p> <p>The Board's primary consideration in identifying Directors' nominees is to have an appropriate mix of members with core competencies such as accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management.</p>



# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																																				
		<p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1" data-bbox="746 674 1428 1346"> <thead> <tr> <th colspan="3" data-bbox="746 674 1428 712"><b>Table 2.4 - Balance and Diversity of the Board</b></th> </tr> <tr> <th data-bbox="746 712 1098 815"></th> <th data-bbox="1098 712 1264 815">Number of Directors</th> <th data-bbox="1264 712 1428 815">Proportion of Board (%)</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="746 815 1428 853"><b>Core Competencies</b></td> </tr> <tr> <td data-bbox="746 853 1098 898">- Accounting or finance</td> <td data-bbox="1098 853 1264 898">2</td> <td data-bbox="1264 853 1428 898">40</td> </tr> <tr> <td data-bbox="746 898 1098 943">- Business management</td> <td data-bbox="1098 898 1264 943">5</td> <td data-bbox="1264 898 1428 943">100</td> </tr> <tr> <td data-bbox="746 943 1098 1010">- Legal or corporate governance</td> <td data-bbox="1098 943 1264 1010">3</td> <td data-bbox="1264 943 1428 1010">60</td> </tr> <tr> <td data-bbox="746 1010 1098 1077">- Relevant industry knowledge or experience</td> <td data-bbox="1098 1010 1264 1077">3</td> <td data-bbox="1264 1010 1428 1077">60</td> </tr> <tr> <td data-bbox="746 1077 1098 1144">- Strategic planning experience</td> <td data-bbox="1098 1077 1264 1144">5</td> <td data-bbox="1264 1077 1428 1144">100</td> </tr> <tr> <td data-bbox="746 1144 1098 1211">- Customer based experience or knowledge</td> <td data-bbox="1098 1144 1264 1211">2</td> <td data-bbox="1264 1144 1428 1211">40</td> </tr> <tr> <td colspan="3" data-bbox="746 1211 1428 1249"><b>Gender</b></td> </tr> <tr> <td data-bbox="746 1249 1098 1294">- Male</td> <td data-bbox="1098 1249 1264 1294">5</td> <td data-bbox="1264 1249 1428 1294">100</td> </tr> <tr> <td data-bbox="746 1294 1098 1339">- Female</td> <td data-bbox="1098 1294 1264 1339">0</td> <td data-bbox="1264 1294 1428 1339">0</td> </tr> </tbody> </table>	<b>Table 2.4 - Balance and Diversity of the Board</b>				Number of Directors	Proportion of Board (%)	<b>Core Competencies</b>			- Accounting or finance	2	40	- Business management	5	100	- Legal or corporate governance	3	60	- Relevant industry knowledge or experience	3	60	- Strategic planning experience	5	100	- Customer based experience or knowledge	2	40	<b>Gender</b>			- Male	5	100	- Female	0	0
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Provision 2.5	Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.	<p>The Non-Executive Directors discuss and/or meet as often as is needed, based on the Group's needs from time to time, without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Directors.</p> <p>The Non-Executive Directors held periodic conference calls and/or meetings in the absence of key management personnel in FY2022. In FY2022, such meetings were conducted through means of video conference or other forms of telecommunication.</p>																																				

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
<b>Chairman and Chief Executive Officer</b>		
Principle 3	There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.	The Board is of the view that there is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making. Please refer to Provisions 3.1 to 3.3 below for more details and instances of the Company's compliance with such principle.
Provision 3.1	The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	Mr. Pang Pok is the Executive Director and CEO of the Company, and Mr. Zhang Rongxuan is the Non-Executive Chairman of the Company. Accordingly, in FY2022, the position of Chairman and the CEO were held by two separate persons in order to maintain effective checks and balances. This promotes greater accountability from Management and allows the Board to exercise its independence in its oversight of and deliberations with Management.
Provision 3.2	The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.	There is a clear separation of the roles and responsibilities between the Chairman and the CEO. The Non-Executive Chairman, Mr. Zhang Rongxuan, provides strategic advice and guidance and taps on his network and connections in facilitating the growth of the Group's business. The CEO and Executive Director, Mr. Pang Pok, is responsible for the Group's overall management, including overseeing the Group's operations, setting directions for new growth areas and developing business strategies. The Chairman and CEO are not related.
Provision 3.3	The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.	Mr. Chong Eng Wee is the Lead Independent Director of the Company. As the Lead Independent Director, he is available to the Shareholders where they have concerns relating to matters which contact through normal channels via the Chairman, CEO or the Management has failed to resolve or for which such contact is inappropriate or inadequate, as well as at any general meeting of the Company (in the event such general meeting is to be held physically). However, as Mr. Chong Eng Wee will be retiring and will not be seeking re-election at the forthcoming AGM, the position of Lead Independent Director will become vacant at the close of the AGM. The Company will provide updates as and when there are further developments on the foregoing, including the appointment of a new Lead Independent Director.

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
<b>Board Membership</b>		
Principle 4	The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.	The Board is of the view that it has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board. Please refer to Provisions 4.1 to 4.5 below for more details and instances of the Company's compliance with such principle.
Provision 4.1	<p>The Board establishes a NC to make recommendations to the Board on relevant matters relating to:</p> <p>(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;</p> <p>(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;</p> <p>(c) the review of training and professional development programmes for the Board and its directors; and</p> <p>(d) the appointment and re-appointment of directors (including alternate directors, if any).</p>	<p>The Board has established the NC, which holds at least one (1) meeting in each financial year.</p> <p>The NC is guided by the key terms of reference as follows:</p> <p>(a) making recommendations to the Board on relevant matters relating to:</p> <ol style="list-style-type: none"> <li>i. the review of succession plans for directors, CEO and key management personnel;</li> <li>ii. the process and criteria for evaluation of the performance of the Board, its Board Committees and directors;</li> <li>iii. the review of training and professional development programmes for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks;</li> <li>iv. the appointment of directors. The NC shall (a) consider candidates from a wide range of background, (b) evaluate the candidates against objective criteria in relation to the needs of the Board, whether the candidate(s) will add diversity to the Board and whether they are likely to have adequate time to discharge their duties, (c) consider the composition and progressive renewal of the Board or Board Committees, and (d) if necessary, appoint an independent third party to source and screen candidates; and</li> </ol>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>v. the removal, re-appointment, or re-election of directors in accordance with the Company's Constitution, taking into account the director's performance, commitment and his or her ability to continue contributing to the Board;</p> <p>(b) review on an annual basis, and as and when circumstances require, whether a director of the Company is independent having regard to the circumstances set forth in Rule 406(3)(d) of the Catalist Rules and Provision 2.1 of the Code and any other salient factors;</p> <p>(c) decide if a director is able to and has been adequately carrying out his duties as a Director of the Company. In respect of any director with multiple board representations, the NC will review and assess whether or not such director is able to and has been adequately carrying out his duties as a director of the Company, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments; and</p> <p>(d) if an external facilitator has been used in assessing the effectiveness of the Board, its Board Committees and individual directors, the NC is to ensure that existing relationships, if any, between the Company and its appointed facilitator will not affect the independence and objectivity of the facilitator.</p>

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	<p>Mr. Chan Chun Kit retired as an Independent Director at the AGM held on 19 July 2022 and thereafter stepped down from his position as the Chairman of the Remuneration Committee and as a member of each of the Audit and Risk Committee and Nominating Committee. As announced by the Company on 14 October 2022, Mr. Lim Chee San was appointed as an Independent Director, Chairman of the Remuneration Committee and as a member of each of the Audit and Risk Committee and Nominating Committee with effect from 17 October 2022. As such, the NC currently comprises of three (3) Directors, all of whom are Independent Directors, as follows:</p> <ul style="list-style-type: none"> <li>(a) Mr. Chong Eng Wee (Lead Independent Director);</li> <li>(b) Mr. Lim Kee Way Irwin (Independent Director); and</li> <li>(c) Mr. Lim Chee San (Independent Director).</li> </ul> <p>The chairman of the NC is Mr. Chong Eng Wee, who is the Lead Independent Director. In view of the retirement of Mr. Chong Eng Wee at the forthcoming AGM, the number of members in the NC will fall below the minimum number of three. The Company shall endeavour to fill the vacancy within two (2) months but in any event not later than three (3) months. The Board shall also appoint a new NC chairman as soon as practicable.</p>

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation		
Provision 4.3	The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	<b>Table 4.3(a) - Process for the Selection and Appointment of New Directors</b>		
		1.	Determination of selection criteria	The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.
		2.	Search for suitable candidates	The NC would consider candidates proposed by the Directors, key management personnel or substantial Shareholders and may engage external search consultants where necessary.
		3.	Assessment of shortlisted candidates	The NC would meet and interview the shortlisted candidates to assess their suitability.
		4.	Appointment of director	The NC would recommend the selected candidate to the Board for consideration and approval. The Board is also advised by the Sponsor on the appointment of directors as required under Catalist Rule 226(2)(d).

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation	
		<b>Table 4.3(b) - Process for the Re-election of Incumbent Directors</b>	
		1.	<p>Assessment of directors</p> <ul style="list-style-type: none"> <li>• The NC would assess the contributions and performance of the Directors in accordance with the performance criteria set by the Board; and</li> <li>• The NC would also review the range of expertise, skills and attributes of current Board members and consider the current needs of the Board.</li> </ul>
		2.	<p>Re-appointment of directors</p> <ul style="list-style-type: none"> <li>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the relevant Director to the Board for its consideration and approval.</li> </ul>



## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation	
			<ul style="list-style-type: none"><li>All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Article 113 of the Company's Articles of Association provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation and be eligible for re-election at the Company's AGM. According to Article 113, Mr. Pang Pok and Mr. Chong Eng Wee will be retiring at the Company's forthcoming AGM. Notwithstanding that both Mr. Pang Pok and Mr. Chong Eng Wee are eligible for re-election, only Mr. Pang Pok will be seeking re-election at the forthcoming AGM.</li></ul>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation	
			<ul style="list-style-type: none"> <li>In addition, pursuant to Article 117 of the Company's Articles of Association, additional Directors appointed during the year shall hold office until the next AGM and shall then be eligible for re-election. Mr. Lim Chee San will be retiring at the Company's forthcoming AGM and shall be eligible for re-election. Mr. Lim Chee San had consented to continue in office and the Board has accepted the NC's recommendation for the re-election of Mr. Lim Chee San.</li> </ul>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation	
			<ul style="list-style-type: none"> <li>In making the recommendation for the re-appointment of Mr. Pang Pok and Mr. Lim Chee San, the NC had considered, among others, their overall performance and contribution to the Board, as well as their level of participation in discussions, with reference to the results of the assessment of their performance. Further, the NC is of the view that Mr. Pang Pok and Mr. Lim Chee San possess the experience, expertise, knowledge and skills to contribute effectively towards the core competencies and the diversity in skills and experience of the Board. Please refer to pages 13 to 20 of this Annual Report for more information relating to Mr. Pang Pok, and pages 13 to 20 of this Annual Report for more information relating to Mr. Lim Chee San, including their professional qualifications and working experience.</li> </ul>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation	
			<ul style="list-style-type: none"> <li>• Mr. Pang Pok will, upon re-election as a Director, remain as the Chief Executive Officer and Executive Director.</li> <li>• Mr. Lim Chee San will, upon re-election as a Director, remain as an Independent Director.</li> </ul> <p>The key information of the Directors are set out on pages 9 to 12 of this Annual Report. The shareholdings of the individual Directors of the Company are set out on page 96 of this Annual Report. None of the Directors holds shares in the subsidiaries of the Company. The Directors who are seeking re-appointment at the forthcoming AGM are stated in the Notice of AGM set out on pages 204 to 210 of this Annual Report.</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 4.4	<p>The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.</p>	<p>The independence of each Director is assessed and reviewed annually by the NC in accordance with a criterion based on the guidelines stated in the Code. The Company is cognizant of the removal of the two-tier vote mechanism by the Singapore Exchange Regulation and will ensure that the tenure of each of its Independent Directors do not exceed the nine-year limit. Currently, none of the Independent Directors on the Board has served for a period exceeding nine years from the date of his first appointment.</p> <p>The Board considers an "<b>Independent</b>" Director as one who has no relationship with the Company, its related corporations, its 5% Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.</p> <p>The Independent Directors, Mr. Chong Eng Wee, Mr. Lim Kee Way Irwin and Mr. Lim Chee San have confirmed their independence in accordance with the Code. The NC considers Mr. Chong Eng Wee, who is the managing director of Chevalier Law LLC, to be independent, notwithstanding the relationship between the Company and Chevalier Law LLC in respect of the provision of corporate secretarial services on a retainer basis and certain legal services by Chevalier Law LLC to the Company. The total fees, including ad-hoc services for FY2022 and aggregated over any financial year payable from the Company to Chevalier Law LLC did not exceed S\$200,000, pursuant to Practice Guidance 2 of the Code.</p> <p>The Independent Directors do not have any relationship as stated in the Code that would otherwise deem any of them not to be independent.</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>For the reasons above, the Board, having taken into account and concurring with the views of the NC, has determined that the Independent Directors remained independent in character and judgement and that there were no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgement.</p>
Provision 4.5	<p>The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitment of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.</p>	<p>The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments, and not guided by a numerical limit. Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director of the Company, taking into consideration the time and resources allocated to the affairs of the Company. The NC is of the view that all the Directors are able to devote themselves to the Company's affairs, notwithstanding their other commitments.</p> <p>The Board also notes that as at the date of this report, only Mr. Lim Chee San holds more than three (3) board representations in listed companies. Notwithstanding the foregoing, as announced by the Company on 14 October 2022, Mr. Lim Chee San has confirmed that he will be able to manage his schedule and commitments to ensure that he is able to carry out his duties adequately as a Director of the Company. The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> <li>(a) Expected and/or competing time commitments of Directors;</li> <li>(b) Geographical location of Directors;</li> <li>(c) Size and composition of the Board; and</li> <li>(d) Nature and scope of the Group's operations and size.</li> </ul>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any). While the NC noted Mr. Zhang Rongxuan's low attendance at the board meetings held during FY2022, the NC recognised Mr. Zhang's efforts in arranging for and conveying his views/instructions to Mr. Dou Le, the Administration Manager of Wish Hospitality Holdings Pte. Ltd. prior to board meetings, for Mr. Dou Le to attend these meetings for and on his behalf, including providing updates for and on his behalf, so that he may be adequately represented at these meetings. Accordingly, the NC is satisfied that all Directors have discharged their duties in respect of attending and/or preparing for meetings for FY2022. Notwithstanding the above, the NC will discuss with Mr Zhang regarding his principal commitments for FY2023 and assess if Mr Zhang will be able to adequately devote sufficient time to discharging his duties as a director of the Company before making its recommendations to the Board.</p>
<b>Board Performance</b>		
Principle 5	The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.	The Board has undertaken a formal annual assessment of its effectiveness as a whole, and each of its board committees and individual Directors. Please refer to Provisions 5.1 to 5.2 below for more details and instances of the Company's compliance with such principle.

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation												
Provision 5.1	The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.	<p>Table 5.1 below sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director and Chairman to the effectiveness of the Board for the financial year ending 31 December 2023:</p> <table border="1" data-bbox="743 813 1433 1738"> <thead> <tr> <th colspan="3" data-bbox="743 813 1433 864"><b>Table 5.1 - Performance Criteria</b></th> </tr> <tr> <th data-bbox="743 871 908 947">Performance Criteria</th> <th data-bbox="912 871 1187 947">Board and Board Committees</th> <th data-bbox="1192 871 1433 947">Individual Directors</th> </tr> </thead> <tbody> <tr> <td data-bbox="743 954 908 1552"><b>Qualitative</b></td> <td data-bbox="912 954 1187 1552"> <ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Conduct of Meetings</li> <li>3. Access to information</li> <li>4. Board processes and accountability</li> <li>5. Strategic planning</li> <li>6. Risk management and Internal Control</li> <li>7. CEO Performance/ Succession Planning</li> <li>8. Compensation</li> <li>9. Communication with Shareholders</li> </ol> </td> <td data-bbox="1192 954 1433 1552"> <ol style="list-style-type: none"> <li>1. Commitment of time</li> <li>2. Candor</li> <li>3. Participation</li> <li>4. Knowledge and abilities</li> <li>5. Teamwork</li> <li>6. Independence</li> <li>7. Overall effectiveness</li> </ol> </td> </tr> <tr> <td data-bbox="743 1559 908 1738"><b>Quantitative</b></td> <td data-bbox="912 1559 1187 1738"> <ol style="list-style-type: none"> <li>1. Measuring and monitoring performance</li> <li>2. Financial Reporting</li> </ol> </td> <td data-bbox="1192 1559 1433 1738"> <ol style="list-style-type: none"> <li>1. Attendance at Board and Board Committees meetings</li> </ol> </td> </tr> </tbody> </table>	<b>Table 5.1 - Performance Criteria</b>			Performance Criteria	Board and Board Committees	Individual Directors	<b>Qualitative</b>	<ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Conduct of Meetings</li> <li>3. Access to information</li> <li>4. Board processes and accountability</li> <li>5. Strategic planning</li> <li>6. Risk management and Internal Control</li> <li>7. CEO Performance/ Succession Planning</li> <li>8. Compensation</li> <li>9. Communication with Shareholders</li> </ol>	<ol style="list-style-type: none"> <li>1. Commitment of time</li> <li>2. Candor</li> <li>3. Participation</li> <li>4. Knowledge and abilities</li> <li>5. Teamwork</li> <li>6. Independence</li> <li>7. Overall effectiveness</li> </ol>	<b>Quantitative</b>	<ol style="list-style-type: none"> <li>1. Measuring and monitoring performance</li> <li>2. Financial Reporting</li> </ol>	<ol style="list-style-type: none"> <li>1. Attendance at Board and Board Committees meetings</li> </ol>
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Performance Criteria	Board and Board Committees	Individual Directors												
<b>Qualitative</b>	<ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Conduct of Meetings</li> <li>3. Access to information</li> <li>4. Board processes and accountability</li> <li>5. Strategic planning</li> <li>6. Risk management and Internal Control</li> <li>7. CEO Performance/ Succession Planning</li> <li>8. Compensation</li> <li>9. Communication with Shareholders</li> </ol>	<ol style="list-style-type: none"> <li>1. Commitment of time</li> <li>2. Candor</li> <li>3. Participation</li> <li>4. Knowledge and abilities</li> <li>5. Teamwork</li> <li>6. Independence</li> <li>7. Overall effectiveness</li> </ol>												
<b>Quantitative</b>	<ol style="list-style-type: none"> <li>1. Measuring and monitoring performance</li> <li>2. Financial Reporting</li> </ol>	<ol style="list-style-type: none"> <li>1. Attendance at Board and Board Committees meetings</li> </ol>												



# CORPORATE GOVERNANCE

<b>Provisions/ Principles/ Rules</b>	<b>Code Description</b>	<b>Company's Compliance or Explanation</b>
Provision 5.2	The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	<p>The NC conducts an annual assessment to evaluate the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director to the effectiveness of the Board. In this regard, the Directors are required to complete evaluation questionnaires in respect of their individual performance, the effectiveness and performance of the Board as a whole and of each board committee (which such Director is a member of). The NC then reviews the results of the foregoing evaluation questionnaires and identifies any areas for improvement.</p> <p>The Board has not engaged any external facilitator to conduct an assessment of the performance of the Board, the Board Committees and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement.</p>
<b>REMUNERATION MATTERS</b>		
<b>Procedures for Developing Remuneration Policies</b>		
Principle 6	The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.	The Board is of the view that it has a formal and transparent procedure for developing policies on the remuneration of Directors and executives and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his own remuneration. Please refer to Provisions 6.1 to 6.4 below for more details and instances of the Company's compliance with such principle.

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 6.1	<p>The Board establishes a Remuneration Committee to review and make recommendations to the Board on:</p> <p>(a) a framework of remuneration for the Board and key management personnel; and</p> <p>(b) the specific remuneration packages for each director as well as for the key management personnel.</p>	<p>The Board has established the RC, which is guided by key terms of reference as follows:</p> <p>(a) to review and recommend to the Board a general framework of remuneration for the directors and key management personnel;</p> <p>(b) to monitor the level and structure of remuneration for directors and key management personnel relative to the internal and external peers and competitors;</p> <p>(c) to review the on-going appropriateness and relevance of the Company's remuneration policy and other benefit programs including the terms of renewal for those executive directors whose current employment contracts will expire or have expired;</p> <p>(d) to review and recommend to the Board the specific remuneration packages and services contracts for each director and key management personnel (including directors' fees, salaries, allowances, bonuses, options, benefits-in-kind, payments, retirement rights, stock options, share-based incentives, severance packages and service contracts) having regard to the executive remuneration policies of the Company;</p> <p>(e) to review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>(f) to seek expert advice inside the Company and/or outside professional advice on remuneration practices, and the RC is to ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants;</p> <p>(g) to review the remuneration of employees who are related to any of the directors or any substantial Shareholder of the Company to ensure that their remuneration packages are in line with the staff remuneration guideline and commensurate with their respective job scopes and level of responsibilities; and</p> <p>(h) to review the design of all long-term and short-term incentive plans.</p>
Provision 6.2	The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	<p>Mr. Chan Chun Kit retired as an Independent Director at the AGM held on 19 July 2022 and thereafter stepped down from his position as the Chairman of the Remuneration Committee and as a member of each of the Audit and Risk Committee and Nominating Committee. As announced by the Company on 14 October 2022, Mr. Lim Chee San was appointed as an Independent Director, Chairman of the Remuneration Committee and as a member of each of the Audit and Risk Committee and Nominating Committee with effect from 17 October 2022. As such, the RC currently comprises of three (3) Directors, all of whom are Independent Directors, as follows:</p> <p>(a) Mr. Chong Eng Wee (Lead Independent Director);</p> <p>(b) Mr. Lim Chee San (Independent Director); and</p> <p>(c) Mr. Lim Kee Way Irwin (Independent Director).</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		In view of the retirement of Mr. Chong Eng Wee at the forthcoming AGM, the number of members in the RC will fall below the minimum number of three. The Company shall endeavour to fill the vacancy within two (2) months but in any event not later than three (3) months.
Provision 6.3	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	The RC reviews the Company's obligations arising in the event of termination under the contracts of service of the Executive Directors and key management personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and if necessary, will seek expert advice from within the Company and/or external professional advice on the remuneration of all Directors and to ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants.
Provision 6.4	The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	No remuneration consultants were engaged by the Company in FY2022.
<b>Level and Mix of Remuneration</b>		
Principle 7	The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.	The Board is of the view that the level and structure of remuneration of the Board and key management personnel is appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company. Please refer to Provisions 7.1 to 7.3 below for more details and instances of the Company's compliance with such principle.

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	<p>In determining the level of remuneration, the RC undertakes the following:</p> <ul style="list-style-type: none"> <li>(a) give due consideration to the Code's principles and guidance notes on the level and mix of remuneration, to ensure that the level of remuneration is appropriate to attract, retain and motivate the Directors to run the Company successfully;</li> <li>(b) ensure that a proportion of the remuneration is linked to corporate and individual performance; and</li> <li>(c) design remuneration packages in such a manner as to align the interests of the Executive Directors and key management personnel with those of Shareholders.</li> </ul> <p>An annual review is carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel is commensurate with the Company's and their respective performances, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO is reviewed periodically by the RC and the Board. The Company also has a remuneration policy in place. Please refer to Provision 8.1 for more details on the Group's remuneration policy.</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 7.2	The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	<p>The Board recommends directors' fees for approval by the Shareholders at the AGM of the Company. The Board concurred with the RC that the proposed directors' fees, including that of the Non-Executive Directors, for the year ending 31 December 2023 is appropriate and that all the Directors receive directors' fees in accordance with their level of contribution, taking into account factors such as effort and time spent for serving on the Board and Board Committees (if any), as well as the responsibilities and obligations of the Directors. Each of the Directors will receive his directors' fees in cash.</p> <p>The Company recognises the need to pay competitive fees to attract, motivate and retain directors without being excessive to the extent that their independence might be compromised.</p>
Provision 7.3	Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	<p>To enhance its remuneration so as to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel, the Company has adopted long-term incentive schemes, including the GS Holdings Employee Share Option Scheme (the "<b>GS Holdings ESOS</b>" or the "<b>Scheme</b>") and the GS Holdings Performance Share Plan (the "<b>GS Holdings PSP</b>" or the "<b>Plan</b>") since 17 December 2015.</p> <p>The GS Holdings ESOS serves as a long-term incentive scheme for the Directors and employees of the Company. The GS Holdings PSP serves to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance and to align the interests of Directors with the interests of Shareholders. Both the GS Holdings ESOS and GS Holdings PSP are administered by the RC.</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
<b>Disclosure on Remuneration</b>		
Principle 8	The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.	The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation. Please refer to Provisions 8.1 to 8.3 below for more details and instances of the Company's compliance with such principle.
Provision 8.1	<p>The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:</p> <p>(a) each individual director and the CEO; and</p>	<p>The Company's remuneration policy is one that seeks to attract, retain and motivate employees to achieve long-term growth and prosperity for the Company, and to create value for the Shareholders. The Company believes in aligning its level and structure of remuneration with the interests of Shareholders to promote the long-term success of the Company. To initiate this, the GS Holdings ESOS and GS Holdings PSP have been adopted to link rewards to eligible employees and Directors, especially key executives, based on corporate and individual performance and align their interests with those of Shareholders. The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2022. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.</p>



# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																																																															
		<p>Remuneration of each individual Director and the CEO</p> <p>The breakdown for the remuneration of the individual Directors for FY2022 is as follows:</p> <table border="1" data-bbox="746 707 1433 1039"> <caption>Table 8.1(a) - Directors' Remuneration</caption> <thead> <tr> <th>Name</th> <th>Remuneration Band<sup>(1)</sup></th> <th>Salary (%)</th> <th>Bonus (%)</th> <th>Benefits-in-kind (%)</th> <th>Directors Fees (%)</th> <th>Consultancy Fees (%)</th> <th>Share Incentives Scheme (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Zhang Rongxuan</td> <td>A</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Pang Pok</td> <td>A</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Chong Eng Wee</td> <td>A</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Chan Chun Kit<sup>(2)</sup></td> <td>A</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Lim Kee Way Irwin</td> <td>A</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Lim Chee San<sup>(3)</sup></td> <td>A</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Remuneration Bands: (a) Band A: Compensation from S\$0 to S\$250,000 per annum.</p> <p>(2) Mr. Chan Chun Kit resigned as Non-Executive and Independent Director of the Company on 19 July 2022.</p> <p>(3) Mr. Lim Chee San was appointed as Non-Executive and Independent Director of the Company on 17 October 2022.</p> <p>After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of the amount of remuneration of each Director, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment. In any event, the Company has disclosed the remuneration of each Director in bands no wider than S\$250,000 and a breakdown of their remuneration to ensure transparency in the level and mix of remuneration, in compliance with Principle 8.</p> <p>There are no termination, retirement, post-employment benefits that may be granted to the Directors, save for the standard contractual notice period termination payment in lieu of service.</p>	Name	Remuneration Band <sup>(1)</sup>	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Directors Fees (%)	Consultancy Fees (%)	Share Incentives Scheme (%)	Total (%)	Zhang Rongxuan	A	-	-	-	100	-	-	100	Pang Pok	A	100	-	-	-	-	-	100	Chong Eng Wee	A	-	-	-	100	-	-	100	Chan Chun Kit <sup>(2)</sup>	A	-	-	-	100	-	-	100	Lim Kee Way Irwin	A	-	-	-	100	-	-	100	Lim Chee San <sup>(3)</sup>	A	-	-	-	100	-	-	100
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# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																																																	
	(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel	<p>Remuneration of top five key management personnel</p> <p>The Group only had five (5) top key management personnel for FY2022. The total remuneration paid to the top five (5) key management personnel for FY2022 was S\$404,000.</p> <p>The breakdown for the remuneration of the Group's top five (5) key management personnel (who are not Directors or the CEO) for FY2022 is as follows:</p> <table border="1" data-bbox="743 916 1430 1314"> <caption><b>Table 8.1(b) - Remuneration of Key Management Personnel</b></caption> <thead> <tr> <th>Name</th> <th>Remuneration Band<sup>(6)</sup></th> <th>Salary (%)</th> <th>Bonus (%)</th> <th>Benefits-in-kind (%)</th> <th>Share incentive scheme (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Chong Paw Long</td> <td>A</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Pang Yiling Eliss<sup>(1)</sup></td> <td>A</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Ang Siew Kiock<sup>(2)</sup></td> <td>A</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Lam Chee Seng<sup>(3)</sup></td> <td>A</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Fu Wenxing<sup>(4)</sup></td> <td>A</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Ng Peng Thiam<sup>(5)</sup></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Ms. Pang Yiling Eliss is Director of Operations. Ms. Pang is the daughter of Pang Pok, the CEO and Executive Director.</p> <p>(2) Ms. Ang Siew Kiock was appointed as a key management personnel, and the executive director of Hao Kou Wei Pte. Ltd., being the Company's subsidiary, on 1 July 2019. Ms. Ang Siew Kiock is a substantial shareholder and the wife of Mr. Pang Pok, the CEO and Executive Director.</p> <p>(3) Mr. Lam Chee Seng was appointed as General Manager and a key executive officer of the Company on 14 February 2020. He has resigned as General Manager of the Company and ceased to be an executive officer of the Company with effect on and from 30 April 2022.</p> <p>(4) Mr. Fu Wenxing was appointed as general manager of Wish Hospitality Holdings Private Limited, and as an Executive Officer of the Group on 3 July 2020. He has resigned as General Manager of the Company and ceased to be an executive officer of the Company with effect on and from 15 March 2023.</p> <p>(5) Mr. Ng Peng Thiam was appointed as General Manager and Executive Officer of the food and beverage division of the Group on 1 May 2023.</p> <p>(6) Remuneration Bands: Band A: Compensation from S\$0 to S\$250,000 per annum.</p>	Name	Remuneration Band <sup>(6)</sup>	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Share incentive scheme (%)	Total (%)	Chong Paw Long	A	100	-	-	-	100	Pang Yiling Eliss <sup>(1)</sup>	A	100	-	-	-	100	Ang Siew Kiock <sup>(2)</sup>	A	100	-	-	-	100	Lam Chee Seng <sup>(3)</sup>	A	100	-	-	-	100	Fu Wenxing <sup>(4)</sup>	A	100	-	-	-	100	Ng Peng Thiam <sup>(5)</sup>	-	-	-	-	-	-
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## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																									
		<p>After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of the amount of remuneration of each key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment.</p> <p>There are no termination, retirement, post-employment benefits that may be granted to the foregoing key management personnel, save for the standard contractual notice period termination payment in lieu of service.</p>																									
Provision 8.2	<p>The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p>	<p>Save as provided for below, there was no other employee of the Group who was a substantial Shareholder of the Company, or an immediate family member of a Director or the CEO, or substantial Shareholder of the Company, whose remuneration exceeds S\$100,000 in respect of FY2022.</p> <table border="1" data-bbox="743 1207 1428 1742"> <thead> <tr> <th colspan="5" data-bbox="754 1218 1417 1357"><b>Table 8.2 - Remuneration of Employees who are substantial Shareholders of the Company, or immediate family members of a Director, CEO or substantial Shareholder of the Company</b></th> </tr> <tr> <th data-bbox="754 1364 995 1588">Name</th> <th data-bbox="1000 1364 1091 1588">Salary (%)</th> <th data-bbox="1096 1364 1187 1588">Bonus (%)</th> <th data-bbox="1192 1364 1321 1588">Benefits-in-kind/ Share incentive scheme (%)</th> <th data-bbox="1326 1364 1428 1588">Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5" data-bbox="754 1594 1428 1637"><b>S\$100,000 - S\$199,999</b></td> </tr> <tr> <td data-bbox="754 1644 995 1686">Pang Yiling Eliss<sup>(1)</sup></td> <td data-bbox="1000 1644 1091 1686">100</td> <td data-bbox="1096 1644 1187 1686">-</td> <td data-bbox="1192 1644 1321 1686">-</td> <td data-bbox="1326 1644 1428 1686">100</td> </tr> <tr> <td data-bbox="754 1693 995 1736">Ang Siew Kiock<sup>(2)</sup></td> <td data-bbox="1000 1693 1091 1736">100</td> <td data-bbox="1096 1693 1187 1736">-</td> <td data-bbox="1192 1693 1321 1736">-</td> <td data-bbox="1326 1693 1428 1736">100</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Ms. Pang Yiling Eliss is the Director of Operations of the Group, and is the daughter of Mr. Pang Pok, the CEO and Executive Director of the Company.</p> <p>(2) Ms. Ang Siew Kiock is the executive director of Hao Kou Wei Pte Ltd, a subsidiary of the Company. Ms Ang is a substantial Shareholder of the Company and wife of Mr. Pang Pok, who is the CEO and an Executive Director of the Company.</p>	<b>Table 8.2 - Remuneration of Employees who are substantial Shareholders of the Company, or immediate family members of a Director, CEO or substantial Shareholder of the Company</b>					Name	Salary (%)	Bonus (%)	Benefits-in-kind/ Share incentive scheme (%)	Total (%)	<b>S\$100,000 - S\$199,999</b>					Pang Yiling Eliss <sup>(1)</sup>	100	-	-	100	Ang Siew Kiock <sup>(2)</sup>	100	-	-	100
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## CORPORATE GOVERNANCE

<b>Provisions/ Principles/ Rules</b>	<b>Code Description</b>	<b>Company's Compliance or Explanation</b>
Provision 8.3	The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	<p>The Company has adopted the GS Holdings ESOS and the GS Holdings PSP. The Scheme and the Plan provides eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Scheme and the Plan form an integral component of the Company's compensation plan and are designed to primarily reward and retain Directors and employees whose services are vital to the growth and performance of the Company and/or Group. The Scheme and the Plan are currently administered by the RC in accordance with the rules of the Scheme and the Plan, respectively. Information on the Plan is disclosed in the Directors' Statements on pages 97 to 99 of this Annual Report.</p> <p>Save as disclosed in Table 8.1(a) and Table 8.1(b) above, there are no other forms of remuneration and other payments and benefits paid by the Group to Directors and/or key management personnel of the Company.</p>
<b>ACCOUNTABILITY AND AUDIT</b>		
<b>Risk Management and Internal Controls</b>		
Principle 9	The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.	The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its Shareholders. Please refer to Provisions 9.1 to 9.2 below for more details and instances of the Company's compliance with such principle.

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 9.1	<p>The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.</p>	<p>The Board has not set up a specific Board Risk Committee, but for the purposes of risk management and internal controls, is assisted by the ARC. Together, the Board and the ARC oversee the Management in the area of risk management and internal control systems, and determine the Company's risk appetite and tolerance level. The Board and the ARC regularly review and improve the Company's business and operational activities to identify areas of significant risks and the risk exposure and tolerance ratings thereto, as well as considering relevant mitigating control measures.</p> <p>In addition, Management highlights to and discusses salient risk management matters (if any) with the Board on a quarterly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks.</p>
Provision 9.2	<p>The Board requires and discloses in the company's annual report that it has received assurance from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.</p>	<p>The Board has received assurance from the CEO and the Chief Financial Officer of the Company (the "CFO") that:</p> <ul style="list-style-type: none"> <li>(a) the Group's financial records have been properly maintained and the financial statements for the period under review give a true and fair view of the Group's operations and finances; and</li> <li>(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the risks which the Group considers relevant and material to its business operations.</li> </ul> <p>The key management personnel have obtained similar assurances from the respective heads of operational and corporate departments in the Group on the risk management and internal control systems within their respective scope to support their assurance statement to the Board.</p>

## CORPORATE GOVERNANCE

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General	The Board's annual review of the internal controls and risk management systems	<p>As mentioned in Provision 9.1 above, in assessing the need to establish a separate risk committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Board, following discussions with the members of the ARC (previously named the Audit Committee), resolved that the function of the risk committee is best carried out by the ARC with the assistance of the Internal Auditors (the "IA") and in this connection in line with its enhanced role, the Audit Committee was renamed the ARC in 2017.</p> <p>During FY2022, the following were performed to review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls:</p> <ul style="list-style-type: none"> <li>(a) Board Committee meetings were held with the key management personnel to discuss and review the financial and operational (including compliance issues) performance of the Group. Internal control issues, where applicable, were discussed and addressed during such meetings;</li> <li>(b) An internal audit was performed by the IA, and some weaknesses in internal control matters and standard operation procedures ("SOPs") were highlighted to the CFO and key management personnel and appropriately addressed. The results of the internal audit were presented and approved by the ARC;</li> <li>(c) An external audit was performed by the EA and the results of the external audit were presented and approved by the ARC. Such report will typically include potential areas for improvement of the Group's internal control system, if any;</li> <li>(d) Discussions were held between the ARC, IA and EA in the absence of the key management personnel to address any potential concerns; and</li> </ul>

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		<p>(e) Key management personnel regularly evaluates, monitors and reports to the ARC on material risks and a set of risk registers is maintained, updated and presented to the ARC annually.</p> <p>The Board has also received assurances from the CEO and CFO as set out in Provision 9.2 above.</p> <p>Based on the internal controls established and maintained by the Group, work performed by the IA and EA, and reviews performed by Management and the various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that subject to the independent review of the Group's branding, operations and procurement ("<b>BOP</b>") business, the internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, were adequate and effective for FY2022 after considering the needs of the Group in its current business development.</p> <p>However, the ARC and the Board wish to highlight the following:</p> <p>(1) <u>Relevant Encumbrance</u></p> <p>As disclosed in the Company's announcements dated 13 June 2021 and 17 June 2021, the Board (save for Mr. Zhang Rongxuan ("<b>Mr. Zhang</b>"), the Company's Non-Executive Chairman) was not aware of the existing encumbrance over the amount of RMB100 million (the "<b>Relevant Encumbrance</b>") which had been received in the bank account of Wish Health Management (Shanghai) Co. Ltd. ("<b>Wish Shanghai</b>") as payment of the outstanding service fees for FY2019 and FY2020. The Relevant Encumbrance was arranged by Mr. Zhang and Mr. Liu Changsheng ("<b>Mr. Liu</b>"), the then-consultant of the Group and a director and legal representative of Wish Shanghai and Wish Hospitality Holdings Private Limited ("<b>Wish</b>").</p>

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		<p>Due to the extended delay in procuring the release and discharge of the Relevant Encumbrance and having considered the legal advice rendered by the PRC counsel in relation to the enforcement of the relevant guarantees provided by Mr. Zhang and Kaifeng Jufeel Biotechnology Co., Ltd. ("<b>Kaifeng Jufeel</b>"), the Company entered into an agreement with Mr. Zhang and Truth Assets Management (S) Pte. Ltd. ("<b>TAM</b>") on 31 December 2021 (the "<b>Agreement</b>"), pursuant to which Mr. Zhang is to procure the transfer(s) of such listed shares (being shares of a company listed on the Hong Kong Stock Exchange with an aggregate value of RMB100 million) (the "<b>Listed Shares</b>") to the Company within three (3) months from the date of the Agreement.</p> <p>As announced by the Company on 1 April 2022, 9 May 2022, 5 June 2022 (which was subsequently replaced on 6 June 2022) and 14 November 2022 (in respect of the Company's unaudited condensed interim financial statements for the financial period ended 30 September 2022), in view of the delay of the transfer of the Listed Shares, the Company entered into a supplemental agreement with TAM and Mr. Zhang in connection with the Agreement to extend the deadline for the transfer of the Listed Shares to 31 May 2022 and service term to 31 December 2022. In addition, the guarantors (being Mr. Zhang and Kaifeng Jufeel) (the "<b>Guarantors</b>") entered into a guarantee agreement dated 1 April 2022 (the "<b>1 April Guarantee</b>") in favour of Wish and Wish Shanghai to procure (a) the complete release and discharge of the Relevant Encumbrance over the relevant bank account of Wish Shanghai by 31 May 2022, or (b) the transfer of the relevant Listed Shares by 31 May 2022. As Mr. Zhang remained unable to undertake the necessary arrangements and/or actions for the transfer(s) of the additional Listed Shares due to the COVID-19 travel restrictions in the PRC and Hong Kong,</p>



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		<p>Mr. Zhang agreed to pay the sum of HKD1 million to the Company, to assure the Board of his commitment to resolve the matter. In addition, Mr. Zhang undertook to pay the Company any shortfall 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 "<b>Instalment Terms</b>"), in the event that the aggregate value of the all the Listed Shares received by the Company and/or Group Company as at 31 July 2022 is less than RMB100 million. 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 RMB100 million, Mr. Zhang shall pay to the Company the outstanding balance together with the final monthly instalment.</p> <p>The Board (save for Mr. Zhang) considered the foregoing proposal by Mr. Zhang to be a more expedient and less costly method of resolving the matter as compared to enforcement, after legal advice was obtained from the Company's PRC lawyers. In this regard, in view of the receipt of the sum of HKD1 million and Mr. Zhang's constant communication with Mr. Pang on his efforts to facilitate the transfer of the Listed Shares to the Company, the Board (save for Mr. Zhang, and in consultation with the ARC) decided not to issue the letter of demand to Mr. Zhang and Kaifeng Jufel for the time being. In view of Mr. Zhang's subsequent updates to Management and representations to the ARC that he was unable to utilise his earmarked funds due to verification checks by the relevant banks, the Board (save for Mr Zhang), in consultation with the ARC, 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.</p>

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		<p>Notwithstanding the foregoing, as announced in the Company's unaudited condensed interim financial statements for the full year ended 31 December 2022, save for the receipt of 5,000,000 Listed Shares and the sum of HKD1 million, the Company had not received any further payments from Mr. Zhang pursuant to the Instalment Terms. As announced in the Company's unaudited condensed interim financial statements for the three months ended 31 March 2023, all 5,000,000 Listed Shares have been disposed of by the Company on or around end December 2022 and early January 2023 with total gross proceeds of approximately HKD0.73 million. As at the date of this report, no further Listed Shares have been received by the Company.</p> <p>In view of the long delay in settling the remaining RMB98.4 million owing to the Company, Mr. Zhang has made a new settlement proposal to the Board. Under the new proposal, Mr Zhang intends to transfer and/or procure the transfer of 10% shares in a PRC company that engages in the business of provision of healthcare and wellness services, particularly for seniors, to the Company. Based on an internal valuation by the PRC company, such 10% shares are worth approximately RMB150 million. The Company intends to appoint professional independent valuer to assess the value of the shares, before entering into the settlement agreement with Mr Zhang. The acceptance of such 10% shares and entry into the aforesaid settlement agreement, if any, with Mr Zhang may also be subject to shareholders' and regulatory approval, if necessary.</p>

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		<p>As the preliminary due diligence checks on the PRC company performed by the Company revealed that the PRC company is partially owned by PRC state government enterprise, the Company has requested for Mr Zhang to obtain written approval from the PRC state government enterprise to confirm that they have no objection to the transfer of 10% shares in the PRC company by one of the PRC company's individual shareholders to the Company prior to appointing professional firms to conduct full due diligence checks on the PRC company. The Board (save for Mr. Zhang) understands from Mr. Zhang that the PRC state government enterprise will make a decision on the matter by the end of June 2023.</p> <p>In the meantime, Mr. Zhang has also informed the Board that he will transfer an additional 3,000,000 Listed Shares to the Company by mid-March 2023. However, due to other commitments, Mr. Zhang has yet to make arrangements for the foregoing. The Board has requested for Mr Zhang to make arrangements as soon as possible to transfer the shares to the Company.</p> <p>Shareholders may refer to the Company's announcements dated 13 June 2021, 17 June 2021, 1 July 2021, 19 July 2021, 18 August 2021, 30 September 2021, 2 November 2021, 31 December 2021, 1 April 2022, 9 May 2022, 5 June 2022, 6 June 2022, 14 July 2022, 14 August 2022, 14 November 2022 (in respect of the Company's unaudited condensed interim financial statements for the financial periods ended 30 September 2022), 1 March 2023 (in respect of Company's unaudited condensed interim financial statements for the full year ended 31 December 2022), 15 May 2023 (in respect of Company's unaudited condensed interim financial statements for the three months ended 31 March 2023) and the relevant announcements referred to therein for more information on the Relevant Encumbrance, the Agreement, the arrangement relating to the Listed Shares and settlement proposal by Mr. Zhang.</p>

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		<p>(2) <u>Authorised signatories of Relevant Bank Account</u></p> <p>As announced by the Company on 17 June 2021, the Company has implemented certain internal control measures in respect of Wish Shanghai's bank account in which the RMB100 million is kept (the "<b>Relevant Bank Account</b>"). Shareholders may refer to the Company's announcements dated 13 June 2021, 17 June 2021 and the Company's annual report for the financial year ended 31 December 2021 ("<b>Annual Report 2021</b>") for more information on the internal control and risk management measures that the Company has considered undertaking in respect of the Relevant Bank Account.</p> <p>As announced by the Company on 22 April 2022, pursuant to Mr. Liu's removal as director, legal representative, and authorised bank signatory of Wish Shanghai sometime on or around September 2021, the Company immediately designated Mr. Zhang to replace Mr. Liu's positions and responsibilities. The Board had consulted its PRC lawyers on the steps and procedure to effect the changes of removing Mr. Liu as a director, legal representative, authorised signatory and bank token holder of the PRC bank accounts of Wish Shanghai under the relevant PRC laws, regulations and requirements and was advised that the process of replacing the authorised signatory and bank token holder has to involve the relevant person(s) to be physically present at the relevant banks to effect such changes. At the material time, the directors who were not based or residing in the PRC were unable to travel to PRC due to the COVID-19 travel restrictions. Therefore, the Board resolved to appoint Mr. Zhang, being the only PRC based director of the Group, to effect such changes physically in PRC. However, Mr. Zhang represented to the</p>

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		<p>Board on various occasions that he was unable to travel to Shanghai, PRC, to execute the relevant documents to effect the aforesaid changes due to the ongoing COVID-19 travel restrictions and personal health-related issues. Accordingly, the Board agreed to appoint Mr. Pang to travel to Shanghai, PRC, in place of Mr. Zhang. With the rejection of Mr. Pang's application for an invitation letter to travel to Shanghai, PRC and the severity of the COVID-19 situation in the PRC, Mr. Liu remained the only authorised signatory to the Relevant Bank Account for the time being.</p> <p>As announced on 13 December 2022, the Company applied for the change of legal representative and board of directors first alongside the issuance of a new business licence with the PRC authorities by submitting all requisite notarised documents through its PRC lawyers. The Company was informed by its PRC lawyers on 12 December 2022 that the new business license for Wish Shanghai dated 7 December 2022 reflecting Mr Pang as the new legal representative of Wish Shanghai has been obtained.</p> <p>Following the removal of Mr Liu Changsheng and resignation of Mr Chong Eng Wee as directors of Wish Shanghai, Mr Pang is currently the sole director of Wish Shanghai. Following the issuance of the new business license, Mr Pang travelled to Shanghai, PRC to attend to all relevant formalities and complete documentation to effect his appointment as the authorised bank signatory of Wish Shanghai in Bank of China in Shanghai. As of the date of this report, the appointment of Mr Pang as the authorised bank signatory has yet to be effected as the Company understands that the bank will require some time to process the relevant documents and update relevant records in their system before effecting the change.</p>

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		<p>(3) <u>Independent Review Report</u></p> <p>As announced by the Company on 19 July 2021, in view of the various issues noted since the Group's diversification into the BOP business, the ARC instructed the Company to engage a suitably qualified and experienced independent party to carry out an independent review of the Group's BOP business (the "<b>Independent Reviewer</b>"), notwithstanding that the BOP business has since ceased with the termination of the relevant BOP agreements and health management service agreements with all 14 secured outlets. Shareholders may refer to the Company's announcements dated 19 July 2021 and 20 August 2021 in respect of, among others, the appointment of Deloitte &amp; Touche Financial Advisory Services Pte Ltd as the Independent Reviewer.</p> <p>As announced by the Company on 14 April 2023, the Company received the independent review report ("<b>Independent Review Report</b>") issued by the Independent Reviewer, Deloitte &amp; Touche Financial Advisory Services Pte Ltd dated 30 March 2023. Pursuant to the Independent Review Report, the Independent Reviewer identified several lapses and oversights on the part of the Management and/or Boards of the Company and its subsidiary, Wish, in venturing into and managing the BOP business and collections of the BOP service fees. The Independent Reviewer has in its report, made various recommendations for the Board and Management. To address the recommendations put forward by the Independent Reviewer, the Company will engage its internal auditor, BDO LLP, to review its existing SOPs relating to investment and acquisitions of companies and businesses and to provide recommendations on the implementation of such SOPs. If necessary, the Company may also engage other external professionals to assist in strengthening and implementing existing or</p>

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		<p>new SOPs. Management will continue to monitor and ensure compliance with such SOPs as part of the Group's operations including but not limited to its investments and/or onboarding of franchisee processes and report and explain to the ARC deviations, if any. Shareholders may refer to the Company's announcements dated 14 April 2023 for more information on the findings of the Independent Reviewer's Report, recommendations by the Independent Reviewer, Directors' and Management's comments to the foregoing, and follow up actions by the Company.</p>
<b>Audit Committee</b>		
Principle 10	The Board has an Audit Committee which discharges its duties objectively.	The Board has established the ARC in compliance with Principle 10. Please refer to Provisions 10.1 to 10.5 below for more details and instances of the Company's compliance with such principle.
Provision 10.1	<p>The duties of the AC include:</p> <p>(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;</p> <p>(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;</p> <p>(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;</p>	<p>The ARC was tasked by the Board to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies. The duties and roles of the ARC are guided by the following key terms of reference:</p> <p>(a) assist the Board in the discharge of its responsibilities on financial reporting matters;</p> <p>(b) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;</p> <p>(c) review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalyst Rules and any other statutory/regulatory requirements;</p> <p>(d) review and report to the Board at least annually on the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls;</p>

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	<p>(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;</p> <p>(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and</p> <p>(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.</p>	<p>(e) commission an independent audit on internal controls and risk management systems, at the Company's expense, for its assurance, or where the ARC is not satisfied with the system of internal controls and risk management;</p> <p>(f) review the assurance provided by the CEO and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;</p> <p>(g) review disclosures in the annual report relating to the adequacy and effectiveness of risk management and internal control systems, including assurances received from the CEO and CFO, and concurrence received from the ARC;</p> <p>(h) assist the Board in providing oversight in the design, implementation and monitoring of the risk management framework and internal control system, including action to mitigate the risks identified where possible;</p> <p>(i) review and discuss with the EA any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and to commission an investigation on the aforesaid matters, if necessary;</p> <p>(j) make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the EA, and the remuneration and terms of engagement of the EA;</p> <p>(k) review significant financial reporting issues and judgments with the CFO and the EA so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;</p>



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		<p>(l) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;</p> <p>(m) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;</p> <p>(n) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);</p> <p>(o) review any potential conflicts of interest;</p> <p>(p) review and approve all hedging policies and instruments (if any) to be implemented by the Group;</p> <p>(q) undertake such other reviews and/or matters as may be requested by the Board and reporting to the Board on its findings;</p> <p>(r) oversee the establishment and operation of the whistleblowing process in the Company; and</p> <p>(s) generally, to undertake such other functions and duties as may be required by any law, rules and regulations which include the Catalist Rules.</p> <p>The Company implemented a whistle-blowing policy which sets out the procedures for a whistle-blower to make a report to the Company on misconduct or wrongdoing relating to the issuer and its officers, including improprieties in financial reporting or other matters.</p>

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		<p>The Company's staff may, and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report directly to the ARC Chairman at the email address as follows:-</p> <table border="1" data-bbox="746 741 1430 842"> <thead> <tr> <th data-bbox="754 752 1086 792">Name</th> <th data-bbox="1091 752 1422 792">Email Address</th> </tr> </thead> <tbody> <tr> <td data-bbox="754 799 1086 837">Lim Kee Way Irwin</td> <td data-bbox="1091 799 1422 837">irwinlim@yahoo.com</td> </tr> </tbody> </table> <p>Only the ARC Chairman and independent directors have access to the whistle-blowing reports. This is to ensure that all information received will be treated confidentially and the identity of all whistleblowers will be protected from reprisal or unfair treatment as a result of reporting their genuine concerns made in good faith, even if they turn out to be mistaken. If an employee raises his or her genuine concern under the whistle-blowing policy, he or she will not be at risk of losing his or her job or suffer from retaliatory action or undue harassment as a result.</p> <p>The ARC reviews all whistle-blowing complaints, if any, at each ARC meeting to ensure independent, thorough investigations and appropriate follow-up action. Where appropriate, an independent third party may be appointed to assist in the investigation. The ARC reports to the Board any issues/concerns received by it at the ensuing Board meeting.</p> <p>There was no reported incident pertaining to whistle-blowing for FY2022.</p>	Name	Email Address	Lim Kee Way Irwin	irwinlim@yahoo.com
Name	Email Address					
Lim Kee Way Irwin	irwinlim@yahoo.com					

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		<p>Notwithstanding the above, the ARC noted the following:</p> <ol style="list-style-type: none"> <li>1. The Company's former independent auditors, Baker Tilly TFW LLP ("<b>Baker Tilly</b>"), had included a disclaimer of opinion (the "<b>Disclaimer Opinion</b>") in their Independent Auditor Report dated 14 July 2021 issued to the Company in relation to the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 ("<b>FY2020</b>"). In view of the various issues noted since the Group's diversification into the BOP business, the ARC instructed the Company to engage a suitably qualified and experienced independent party to carry out an independent review of the Group's BOP business. Pursuant to the Independent Reviewer's Report dated 30 March 2023, the Independent Reviewer identified several lapses and oversights on the part of the Management and/or Boards of the Company and its subsidiary, Wish Hospitality Holdings Private Limited, in venturing into and managing the BOP business and collections of the BOP service fees. To address the recommendations put forward by the Independent Reviewer, the Company will engage its internal auditor, BDO LLP, to review its existing standard operating procedures ("<b>SOPs</b>") relating to investment and acquisitions of companies and businesses and to provide recommendations on the implementation of such SOPs. If necessary, the Company may also engage other external professionals to assist in strengthening and implementing existing or new SOP. Management will continue to monitor and ensure compliance with such SOPs as part of the Group's operations including but not limited to its investments and/or onboarding of franchisee processes and report and explain to the ARC deviations, if any. Shareholders may refer to the Company's announcements dated 19 July 2021, 20 August 2021 and 14 April 2023 in</li> </ol>

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		<p>respect of, among others, the Disclaimer Opinion, the appointment of Deloitte &amp; Touche Financial Advisory Services Pte Ltd as the Independent Reviewer and the findings and recommendations of the Independent Reviewer's Report in respect of the foregoing;</p> <p>2. In respect of the letter dated 5 October 2021 from the Commercial Affairs Department (the "<b>CAD</b>") and the Monetary Authority of Singapore pursuant to Section 20 of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition) and Section 64 of the Police Force Act (Chapter 235) requiring the Company to provide certain information and documents in relation to an investigation into an offence under the Securities and Futures Act (Chapter 289) (the "<b>Investigation</b>"), there has been no further updates after Mr. Pang Pok, the Company's Executive Director and CEO, attended an interview with CAD to assist in the Investigation. The ARC understands that none of the Company, its subsidiaries, Directors and employees are currently the subjects of the Investigation, and there have been no requests made for any Director or any member of Management to surrender their travel documentation. Shareholders may refer to the announcement dated 6 October 2021 and the Company's Annual Report 2021 for more information on the Investigation; and</p>

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		<p>3. the Company's current independent auditors, Moore Stephens LLP had included a disclaimer of opinion in their Independent Auditor Report dated 13 June 2023 in relation to the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 ("FY2022"). Please refer to the announcement dated 13 June 2023 for the Board's comments on the matters raised by the independent auditors.</p>
Provision 10.2	<p>The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.</p>	<p>Mr. Chan Chun Kit retired as an Independent Director at the AGM held on 19 July 2022 and thereafter stepped down from his position as the Chairman of the Remuneration Committee and as a member of each of the Audit and Risk Committee and Nominating Committee. As announced by the Company on 14 October 2022, Mr. Lim Chee San was appointed as an Independent Director, Chairman of the Remuneration Committee and as a member of each of the Audit and Risk Committee and Nominating Committee with effect from 17 October 2022. As such, the ARC comprises of three (3) Directors, all of whom are Independent Directors, as follows:</p> <ul style="list-style-type: none"> <li>(a) Mr. Chong Eng Wee (Lead Independent Director);</li> <li>(b) Mr. Lim Chee San (Independent Director); and</li> <li>(c) Mr. Lim Kee Way Irwin (Independent Director).</li> </ul> <p>The chairman of the ARC is Mr. Lim Kee Way Irwin, who is an Independent Director. At least two of the ARC members, being the Chairman Mr. Lim Kee Way Irwin and Mr. Lim Chee San, have recent and relevant accounting or related financial management expertise and/or experience.</p>

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Provision 10.3	The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	None of the members of the ARC (a) is a former partner or director of the Company's existing auditing firm or auditing corporation within the previous two years or (b) hold any financial interest in the auditing firm or auditing corporation.
Provision 10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	<p>The Company's internal audit function is outsourced to an independent and established international auditing firm, BDO LLP, which reports directly to the ARC (which decides on the appointment, termination and remuneration of the IA). The ARC reviews and approves the internal audit plan to ensure the adequacy of the scope of the audit.</p> <p>The outsourced internal audit team is headed by a partner who has more than 25 years of experience in audit and advisory services and is a Chartered Accountant of the Institute of Singapore Chartered Accountants and Certified Internal Auditor of the Institute of Internal Auditors. The ARC is satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals. The IA have unrestricted access to the ARC.</p>
Provision 10.5	The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	The ARC has met with the EA and IA in the absence of key management personnel to review any matter that might be raised in FY2022 as required.

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																		
General	ARC's annual review of the independence/re-appointment of the EA.	<p>The ARC reviews the independence of the EA annually. The ARC has conducted an annual review of the non-audit services provided by the EA as part of the ARC's assessment of the EA's independence.</p> <p>Pursuant to the annual review undertaken by the ARC of the non-audit services provided by Moore Stephens as part of the ARC's assessment of the EA's independence, the ARC is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of Moore Stephens and is satisfied with Moore Stephens' confirmation of their independence. Moore Stephens will not be seeking a re-appointment as EA of the Company at the forthcoming AGM. The aggregate amount of audit fees paid/payable to Moore Stephens in FY2022 are as follows:</p> <table border="1" data-bbox="746 1122 1425 1433"> <thead> <tr> <th colspan="3" data-bbox="746 1122 1425 1173"><b>Table 10.5 - Fees Paid/Payable to EA for FY2022</b></th> </tr> <tr> <th colspan="3" data-bbox="746 1173 1425 1225"><b>Fees Paid/Payable to Moore Stephens for FY2022</b></th> </tr> <tr> <th data-bbox="746 1225 1074 1276"></th> <th data-bbox="1074 1225 1249 1276">S\$</th> <th data-bbox="1249 1225 1425 1276">% of total</th> </tr> </thead> <tbody> <tr> <td data-bbox="746 1276 1074 1328"><b>Audit fees</b></td> <td data-bbox="1074 1276 1249 1328">150,000</td> <td data-bbox="1249 1276 1425 1328">100</td> </tr> <tr> <td data-bbox="746 1328 1074 1379"><b>Non-audit fees</b></td> <td data-bbox="1074 1328 1249 1379">-</td> <td data-bbox="1249 1328 1425 1379">-</td> </tr> <tr> <td data-bbox="746 1379 1074 1433"><b>Total</b></td> <td data-bbox="1074 1379 1249 1433">150,000</td> <td data-bbox="1249 1379 1425 1433">100</td> </tr> </tbody> </table>	<b>Table 10.5 - Fees Paid/Payable to EA for FY2022</b>			<b>Fees Paid/Payable to Moore Stephens for FY2022</b>				S\$	% of total	<b>Audit fees</b>	150,000	100	<b>Non-audit fees</b>	-	-	<b>Total</b>	150,000	100
<b>Table 10.5 - Fees Paid/Payable to EA for FY2022</b>																				
<b>Fees Paid/Payable to Moore Stephens for FY2022</b>																				
	S\$	% of total																		
<b>Audit fees</b>	150,000	100																		
<b>Non-audit fees</b>	-	-																		
<b>Total</b>	150,000	100																		

# CORPORATE GOVERNANCE

<b>Provisions/ Principles/ Rules</b>	<b>Code Description</b>	<b>Company's Compliance or Explanation</b>
General	What are the ARC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	The ARC keeps abreast of relevant changes to accounting standards and other issues through attendance at relevant seminars or talks, articles and news circulated by the management and updates by the EA and IA at ARC meetings.
<b><u>STAKEHOLDER RIGHTS AND ENGAGEMENT</u></b>		
<b><u>Shareholders' Rights and Conduct of General Meetings</u></b>		
Principle 11	The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.	The Company has complied with Principle 11. Please refer to Provisions 11.1 to 11.6 below for more details and instances of the Company's compliance with such principle.



## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 11.1	The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	<p><u>Effective participation at meetings</u></p> <p>The Company's corporate governance practices promote fair and equitable treatment to all Shareholders. To facilitate Shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and on-going basis via SGXNET, as well as through the AGM, especially information pertaining to the Company's business development and financial performance, which could have a material impact on the price or value of its shares, so as to enable Shareholders to make informed decisions in respect of their investments in the Company, particularly during general meetings. The Company's AGM held on 19 July 2022 in FY2022 were conducted through live webcast in light of the COVID-19 pandemic, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and guidance from ACRA, the Monetary Authority of Singapore, and/or SGX-ST on the conduct of general meetings.</p> <p>Shareholders are informed of general meetings through reports or circulars published on SGXNET and the corporate website of the Company and the Company's announcements via SGXNET on a timely basis. In order to provide ample time for the Shareholders to review the matters to be discussed in the meetings, the notice of general meetings, together with the Annual Report, is published on SGXNET at least 14 days (if no special resolution) before the scheduled meeting date. All registered Shareholders are invited to attend and participate actively in the general meetings and are given the opportunity to seek clarification or question the Group's strategic direction, business, operations, performance and proposed resolutions to be debated and decided upon. For the Company's AGM held on 19 July 2022, Shareholders were encouraged to submit any queries in relation to any meeting agenda item as set out in the respective notices to the Company through email prior to the meeting.</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p><u>Voting at meetings</u></p> <p>All Shareholders are entitled to vote in accordance with the established voting rules and procedures. All resolutions are put to vote by poll, and the results of the poll voting on each resolution tabled at general meeting, including the number of votes cast for and against each resolution and the respective percentages, are announced after each general meeting via SGXNET. In FY2022, there was no physical voting conducted in the meetings, and all votes were counted on the basis of the proxy forms submitted prior to such meetings.</p> <p><u>Informing Shareholders of general meeting rules</u></p> <p>In FY2022, the rules governing general meetings of Shareholders, including the voting process, were explained to Shareholders in the respective notice of meeting.</p>
Provision 11.2	The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are " <b>bundled</b> ", the company explains the reasons and material implications in the notice of meeting.	Resolutions submitted at the Shareholders' meetings are separate and not bundled or made inter-conditional on each other, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications. The tabling of separate resolutions gives Shareholders the right to express their views and exercise their voting rights on each resolution separately. Information is also provided on each resolution to enable Shareholders to exercise their vote on an informed basis.

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																																		
Provision 11.3	All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	<p>The Company requires all Directors (including each respective chairman of the Board Committees) to be present at all general meetings of Shareholders, unless in the event of exigencies. For FY2022, all Directors and the EA were present at general meetings held via live webcast. The Company was also prepared to seek the EA's response on any Shareholders' queries about the conduct of audit and the preparation and content of the auditors' report, in the event such queries were submitted ahead of the general meetings.</p> <p>The number of general meetings held and the attendance of each Director at the general meetings for FY2022 are as follows:-</p> <table border="1" data-bbox="743 1055 1428 1489"> <caption data-bbox="754 1061 1417 1090"><b>Table 11.3 - Attendance of Directors at General Meetings</b></caption> <thead> <tr> <th data-bbox="743 1097 970 1182" rowspan="2">Name of Director</th> <th colspan="2" data-bbox="975 1097 1198 1182">Extraordinary/ Special General Meeting</th> <th colspan="2" data-bbox="1203 1097 1428 1182">Annual General Meeting</th> </tr> <tr> <th data-bbox="975 1189 1082 1274">No. of Meetings Held</th> <th data-bbox="1086 1189 1193 1274">No. of Meetings Attended</th> <th data-bbox="1203 1189 1310 1274">No. of Meeting Held</th> <th data-bbox="1315 1189 1428 1274">No. of Meeting Attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="743 1281 970 1310">Pang Pok</td> <td data-bbox="975 1281 1082 1310">-</td> <td data-bbox="1086 1281 1193 1310">-</td> <td data-bbox="1203 1281 1310 1310">1</td> <td data-bbox="1315 1281 1428 1310">1</td> </tr> <tr> <td data-bbox="743 1317 970 1346">Chan Chun Kit</td> <td data-bbox="975 1317 1082 1346">-</td> <td data-bbox="1086 1317 1193 1346">-</td> <td data-bbox="1203 1317 1310 1346">1</td> <td data-bbox="1315 1317 1428 1346">1</td> </tr> <tr> <td data-bbox="743 1352 970 1382">Chong Eng Wee</td> <td data-bbox="975 1352 1082 1382">-</td> <td data-bbox="1086 1352 1193 1382">-</td> <td data-bbox="1203 1352 1310 1382">1</td> <td data-bbox="1315 1352 1428 1382">1</td> </tr> <tr> <td data-bbox="743 1388 970 1417">Lim Kee Way Irwin</td> <td data-bbox="975 1388 1082 1417">-</td> <td data-bbox="1086 1388 1193 1417">-</td> <td data-bbox="1203 1388 1310 1417">1</td> <td data-bbox="1315 1388 1428 1417">1</td> </tr> <tr> <td data-bbox="743 1424 970 1453">Zhang Rongxuan</td> <td data-bbox="975 1424 1082 1453">-</td> <td data-bbox="1086 1424 1193 1453">-</td> <td data-bbox="1203 1424 1310 1453">1</td> <td data-bbox="1315 1424 1428 1453">1</td> </tr> </tbody> </table>	Name of Director	Extraordinary/ Special General Meeting		Annual General Meeting		No. of Meetings Held	No. of Meetings Attended	No. of Meeting Held	No. of Meeting Attended	Pang Pok	-	-	1	1	Chan Chun Kit	-	-	1	1	Chong Eng Wee	-	-	1	1	Lim Kee Way Irwin	-	-	1	1	Zhang Rongxuan	-	-	1	1
Name of Director	Extraordinary/ Special General Meeting			Annual General Meeting																																
	No. of Meetings Held	No. of Meetings Attended	No. of Meeting Held	No. of Meeting Attended																																
Pang Pok	-	-	1	1																																
Chan Chun Kit	-	-	1	1																																
Chong Eng Wee	-	-	1	1																																
Lim Kee Way Irwin	-	-	1	1																																
Zhang Rongxuan	-	-	1	1																																

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 11.4	The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	<p>As the authentication of Shareholders' identification information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax. Notwithstanding the foregoing, Shareholders may appoint up to two proxies to attend and vote on their behalf. Pursuant to the introduction of the multiple proxies regime under the Companies Act, Shareholders who are relevant intermediaries includes corporations holding licenses in providing nominee and custodial services, and the Central Provident Fund Board which purchases shares on behalf of the Central Provident Fund investors, are allowed to appoint more than two proxies to attend, speak and vote at general meetings, but each proxy must be appointed to exercise the rights attached to a different share or shares held by the relevant Shareholder.</p> <p>For FY2022, in light of the COVID-19 pandemic, there was no physical voting conducted in the meetings, and all votes were counted on the basis of the proxy forms submitted prior to such meetings. Shareholders (including members who were relevant intermediaries) entitled to vote at such meetings and who wished to exercise their voting rights at the meetings were able to appoint the Chairman of the meeting as their proxy to vote on his/her/its behalf at the meeting according to their specific instructions.</p> <p>The Company had put in place measures to allow for the submission of proxy forms by Shareholders either in hard copy form at the registered office of the Company, or electronically by mail, in accordance with government advisories.</p>

# CORPORATE GOVERNANCE

<b>Provisions/ Principles/ Rules</b>	<b>Code Description</b>	<b>Company's Compliance or Explanation</b>
Provision 11.5	The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	The proceedings of the general meetings are properly recorded, including all comments and/or queries from Shareholders relating to the agenda of the meeting and responses from the Board and Management to such comments and/or queries. All minutes of general meetings will be posted on the Company's website as soon as practicable. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNET and is made available to everyone, including Shareholders.
Provision 11.6	The company has a dividend policy and communicates it to shareholders.	<p>The Company does not have a fixed dividend policy. Nonetheless, in considering dividend declaration, the Company will take into account the following factors:</p> <ul style="list-style-type: none"> <li>(a) Group's financial position, results of operations and cash flow;</li> <li>(b) ability of the subsidiaries to make dividends payments to the Company;</li> <li>(c) expected working capital requirements to support Group's future growth;</li> <li>(d) actual and projected financial performance;</li> <li>(e) general economic conditions and such other external factors that the Directors believe to have an impact on the business operations of the Group; and</li> <li>(f) any other factors deemed relevant by the Directors at the material time.</li> </ul>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
<b>Engagement with Shareholders</b>		
Principle 12	The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.	The Company is of the view that it has communicated regularly with its Shareholders and facilitated the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company, in accordance with Principle 12. Please refer to Provisions 12.1 to 12.3 below for more details and instances of the Company's compliance with such principle.
Provision 12.1	The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	Information will first be disseminated through SGXNET and, where relevant, followed by news releases on the Company's website such as to ensure periodic communication with the Shareholders throughout the financial year. The Company will also make announcements from time to time to update investors and Shareholders on developments that are of interest to them. The Company strives to supply Shareholders with reliable and timely information so as to strengthen the relationship with its Shareholders based on trust and accessibility. The Board also encourages Shareholders' participation at the AGMs as explained in Provision 11.1 above.

## CORPORATE GOVERNANCE

<b>Provisions/ Principles/ Rules</b>	<b>Code Description</b>	<b>Company's Compliance or Explanation</b>
Provision 12.2	The company has in place an investor relations policy which allows for an on-going exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	The Company does not have an investor relations policy in place. Nonetheless, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNET on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. There is no dedicated investor relations team in place as the Board was of the view that the current communication channels are sufficient and cost-effective. The Company's investor relations function is led by the CFO, who has the strategic management responsibility to integrate finance, accounting, corporate communication to enable effective communication between the Company and all Shareholders, stakeholders, analysts and media. The Company has also engaged a public relations firm, 8PR Asia, which assists the Company in releasing press releases and other market communications from time to time and on an ad-hoc basis.
Provision 12.3	The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	Apart from announcements released on SGXNET and its annual report, the Company updates Shareholders on its corporate developments through its corporate website. The Company has procedures in place for responding to investors' queries.

# CORPORATE GOVERNANCE

<b>Provisions/ Principles/ Rules</b>	<b>Code Description</b>	<b>Company's Compliance or Explanation</b>
<b>MANAGING STAKEHOLDER RELATIONSHIPS</b>		
<b>Engagement with Stakeholders</b>		
Principle 13	The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.	The Board is of the view that it has adopted an inclusive approach by considering and balancing the needs and interests of material stakeholders, so as to ensure that the best interests of the Company are served. Please refer to Provisions 13.1 to 13.3 below for more details and instances of the Company's compliance with such principle.
Provision 13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. A sustainability governance structure and framework was put in place to identify, engage with, and manage material environment, social and governance factors which are important to stakeholders and to the Group.
Provision 13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	More information on the Group's material stakeholders, sustainability efforts (including its strategy and key areas of focus), and performance in this regard is disclosed in the annual sustainability report for FY2022 published on a standalone basis on 28 April 2023.
Provision 13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	The Company maintains its corporate website at <a href="https://gsholdings.com.sg">https://gsholdings.com.sg</a> to communicate and engage with stakeholders.
<b>COMPLIANCE WITH APPLICABLE CATALIST RULES</b>		
<b>Catalist Rule</b>	<b>Rule Description</b>	<b>Company's Compliance or Explanation</b>
711A, and 711B	Sustainability Reporting	The annual sustainability report for financial year ended 31 December 2022 is published on a standalone basis on 28 April 2023.
712, 715 or 716	Appointment and change of auditors	The Company confirms its compliance to the Catalist Rules 712 and 715 in the appointment of its auditors.
720(6)	Directors' training on sustainability matters	All directors of the Company attended the requisite training on sustainability matters in FY2022.



## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
1204(8)	Material contracts	<p data-bbox="740 551 1206 577"><u>Master Distribution Rights Agreement</u></p> <p data-bbox="740 618 1433 1543">In respect of material contracts, which were still subsisting at the end of FY2022, Raffles Brands Pte. Ltd. ("<b>Raffles Brands</b>"), being an indirect subsidiary of the Company, had entered into a master distribution rights agreement with Kaifeng Jufeel. Mr. Zhang, who is the Non-Executive and Non-Independent Chairman of the Company, holds 49% equity interest in Kaifeng Jufeel, with the remaining 51% equity interests held by Henan Jufeel Technology Co., Ltd. ("<b>Henan Jufeel</b>"), and Henan Jufeel is in turn 90% owned by Mr. Zhang. Mr. Zhang is also the legal representative of Kaifeng Jufeel. Subsequently, Raffles Brands, Kaifeng Jufeel and PMAS International Pte. Ltd. ("<b>PMAS</b>"), being a wholly-owned subsidiary of the Company, entered into a deed of novation dated 8 June 2021, pursuant to which Raffles Brands shall transfer all its rights, obligations and liabilities under the master distribution rights agreement to PMAS, and PMAS shall be bound to the terms of the master distribution rights agreement as though it had originally been named as a party thereto. As of the date of this Report, the Group has not commenced any activities under the foregoing distribution business and has no intention of proceeding with the master distribution rights agreement. Shareholders may refer to the announcements dated 29 January 2021, 8 June 2021, 14 June 2021 and 19 July 2021 for more information on the foregoing master distribution rights agreement.</p>

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p><u>Agreements in respect of the appointment of Kaifeng Jufeel as authorised representative</u></p> <p>In January 2021, Wish and the Company had entered into certain agreements with Kaifeng Jufeel in connection with the appointment of Kaifeng Jufeel as the authorised representative to collect outstanding BOP service fees for FY2019 from 14 BOP service outlets to which Wish has provided BOP services, and to transfer all collected outstanding service fees to the relevant bank account of Wish Shanghai within 90 days from 22 January 2021 (being the date of the performance guarantee agreement) or such extended time as the Group may consent to. Such agreements include securities and undertakings provided by Kaifeng Jufeel and Mr. Zhang in favour of the Group. Shareholders may refer to the Company's announcements dated, among others, 2 October 2020, 26 January 2021, 27 April 2021 and 29 April 2021 for more information on the aforesaid arrangement. Shareholders should read this section in conjunction with the disclosure under the section below titled "<b>Agreements in connection with the transfer of the Listed Shares</b>".</p> <p><u>Agreements in connection with the transfer of the Listed Shares</u></p> <p>The Company entered into the Agreement with Mr. Zhang and TAM on 31 December 2021, pursuant to which Mr. Zhang is to procure the transfer(s) of certain Listed Shares to the Company within three (3) months from the date of such Agreement. The Agreement was entered into due to the extended delay in procuring the release and discharge of the Relevant Encumbrance. Following the Company's receipt of such Listed Shares, TAM will assist the Company with the disposal or sale of such Listed Shares for a period of six (6) months from the date of the Agreement or such other extended period as may be agreed by the Company and TAM.</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>As announced by the Company on 1 April 2022, 9 May 2022, 5 June 2022 (which was subsequently replaced on 6 June 2022) and 14 November 2022 (in respect of the Company's unaudited condensed interim financial statements for the financial period ended 30 September 2022), in view of the delay of the transfer of the Listed Shares, the Company entered into a supplemental agreement with TAM and Mr. Zhang in connection with the Agreement to extend the deadline for the transfer of the Listed Shares to 31 May 2022 and service term to 31 December 2022. In addition, the guarantors (being Mr. Zhang and Kaifeng Jufee) (the "<b>Guarantors</b>") entered into a guarantee agreement dated 1 April 2022 (the "<b>1 April Guarantee</b>") in favour of Wish and Wish Shanghai to procure (a) the complete release and discharge of the Relevant Encumbrance over the relevant bank account of Wish Shanghai by 31 May 2022, or (b) the transfer of the relevant Listed Shares by 31 May 2022. As Mr. Zhang remained unable to undertake the necessary arrangements and/or actions for the transfer(s) of the additional Listed Shares due to the COVID-19 travel restrictions in the PRC and Hong Kong, Mr. Zhang agreed to pay the sum of HKD1 million to the Company, to assure the Board of his commitment to resolve the matter. In addition, Mr. Zhang undertook to pay the Company any shortfall 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 "<b>Instalment Terms</b>"), in the event that the aggregate value of the all the Listed Shares received by the Company and/or Group Company as at 31 July 2022 is less than RMB100 million. 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 RMB100 million, Mr. Zhang shall pay to the Company the outstanding balance together with the final monthly instalment.</p>

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>As the preliminary due diligence checks on the PRC company performed by the Company revealed that the PRC company is partially owned by PRC state government, the Company has requested for Mr Zhang to obtain written approval from the state government to confirm that they have no objection to the transfer of 10% shares in the PRC company by one of the PRC company's individual shareholders to the Company prior to appointing professional firms to conduct full due diligence checks on the PRC company. The Board (save for Mr. Zhang) understands from Mr. Zhang that the state government will make a decision on the matter by the end of June 2023.</p> <p>In the meantime, Mr. Zhang has also informed the Board that he will transfer an additional 3,000,000 Listed Shares to the Company by mid-March 2023. However, due to other commitments, Mr. Zhang has yet to make arrangements for the foregoing. The Board has requested for Mr Zhang to make arrangements as soon as possible to transfer the shares to the Company.</p> <p>Shareholders may refer to the Company's announcements dated 13 June 2021, 17 June 2021, 1 July 2021, 19 July 2021, 18 August 2021, 30 September 2021, 2 November 2021, 31 December 2021, 1 April 2022, 9 May 2022, 5 June 2022, 6 June 2022, 14 July 2022, 14 August 2022, 14 November 2022 (in respect of the Company's unaudited condensed interim financial statements for the financial periods ended 30 September 2022), 1 March 2023 (in respect of Company's unaudited condensed interim financial statements for the full year ended 31 December 2022), 15 May 2023 (in respect of Company's unaudited condensed interim financial statements for the three months ended 31 March 2023) and the relevant announcements referred to therein for more information on the Relevant Encumbrance, the Agreement, the arrangement relating to the Listed Shares and settlement proposal by Mr. Zhang.</p>

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>Save as otherwise disclosed above and in the section titled "<b>Interested Person Transactions</b>" and elsewhere in the consolidated financial statements of the Group, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.</p>
1204(10)	Confirmation of adequacy of internal controls	<p>Subject to the findings of the independent review on the BOP business, the Board and the ARC are of the opinion that the internal controls are effective and adequate to address the financial, operational, compliance and information technology risks based on the following:</p> <ul style="list-style-type: none"> <li>(a) internal controls and the risk management system established by the Company;</li> <li>(b) work performed by the IA and EA;</li> <li>(c) assurance from the CEO and CFO;</li> <li>(d) assurance from the CEO and key management personnel; and</li> <li>(e) reviews done by the various Board Committees and key management personnel.</li> </ul> <p>However, the ARC and the Board wish to highlight the points raised in Principle 9 (General) in relation to the Board's annual review of the internal controls and risk management systems above, set out at pages 61 to 70 of this Annual Report.</p>
1204(10C)	ARC's comment on Internal Audit Function	<p>The ARC assesses the adequacy and effectiveness of the internal audit function annually and is of the view that the internal audit function is independent, effective, adequately resourced and has appropriate standing within the Company.</p>
1204(16)	Information in respect of any employee share option (or share incentive) Scheme	<p>The information required by Catalist Rules 1204(16) and 851 are set out in pages 97 to 99 of this Annual Report below.</p>

# CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation															
1204(17)	Interested persons transaction ("IPT")	<p>The Group has procedures governing all IPTs to ensure that they are properly documented and reported in a timely manner to the ARC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.</p> <p>The Group does not have a general mandate from Shareholders for IPT. In FY2022, there were no IPTs entered into that was above S\$100,000 entered into by the Group. As of the date of this report, there was 1 IPT that is above S\$100,000 entered into by the Group, as set out in the table and notes below. Shareholders may refer to the Company's announcement on 5 May 2023 for further details on the IPT, including the rationale and benefit for entering into the IPT.</p> <table border="1" data-bbox="746 1124 1433 1415"> <thead> <tr> <th colspan="3" data-bbox="753 1133 1426 1160"><b>Table 1204(17)</b></th> </tr> <tr> <th data-bbox="753 1169 916 1294">Name of IPT</th> <th data-bbox="922 1169 1037 1294">Nature of relationship</th> <th data-bbox="1043 1169 1426 1294">Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th> </tr> <tr> <th colspan="3" data-bbox="753 1303 1426 1330"><b>S\$'000</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="753 1339 916 1375">Koufu Pte Ltd</td> <td data-bbox="922 1339 1037 1375">See Note (1)</td> <td data-bbox="1043 1339 1426 1375">625</td> </tr> <tr> <td colspan="2" data-bbox="753 1384 1037 1411">Total</td> <td data-bbox="1043 1384 1426 1411">625</td> </tr> </tbody> </table> <p><b>Note:</b> (1) Sing Swee Kee Pte Ltd ("<b>Sing Swee Kee</b>"), an indirect wholly owned subsidiary of the Company (and together with its subsidiaries, the "<b>Group</b>"), has signed the letters of offer with Koufu Pte. Ltd. ("<b>Koufu</b>") on 5 May 2023. The total value at risk of the lease is estimated at S\$625,000 after taking into account variable components.</p> <p>At the time of entering into the letters of offer, Koufu is an indirect wholly-owned subsidiary of Dominus Capital Pte Ltd ("<b>Dominus</b>"). Mr Pang Lim and his spouse hold 100% of the shares in Dominus. Pursuant to Section 4 of the Securities and Futures Act ("<b>SFA</b>"), Mr Pang Lim is deemed to have an interest in all the shares held by Dominus in Koufu.</p> <p>Mr Pang Lim is the brother of Mr Pang Pok, the Executive Director and Chief Executive Officer of the Company. As such, Koufu, Mr Pang Pok and Mr Pang Lim (collectively, the "<b>Interested Persons</b>") are treated as the same interested person as defined under Chapter 9 of the Catalist Rules.</p>	<b>Table 1204(17)</b>			Name of IPT	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	<b>S\$'000</b>			Koufu Pte Ltd	See Note (1)	625	Total		625
<b>Table 1204(17)</b>																	
Name of IPT	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)															
<b>S\$'000</b>																	
Koufu Pte Ltd	See Note (1)	625															
Total		625															

## CORPORATE GOVERNANCE

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
1204(19)	Dealing in securities	<p>The Company has adopted an internal policy which prohibits the Company, its Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.</p> <p>The Company, its Directors and officers, are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's interim and full-year financial statements, respectively, and ending on the date of the announcement of the relevant results.</p>
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's Sponsor, UOB Kay Hian Private Limited, for FY2022.
1204(22)	Use of proceeds	<p><u>Convertible Loan</u></p> <p>The Company refers to the Company's announcement dated 17 December 2018 on the entry into a convertible loan agreement for an aggregate amount of RMB68 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 report, there has been no disbursement of the convertible loan.</p>

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The directors present their statement to the members of GS Holdings Limited (the "**Company**") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

In the opinion of the directors:

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended; and
- (b) at the date of this statement, the financial statements have been prepared on a going concern basis after taking into consideration the availability of banking facilities and a renewed letter of commitment from a substantial shareholder of the Company for loans of up to S\$2 million that can be drawn down by the Group over a period of 2 years, if required, which will enable the Group to pay its debts as and when they fall due and that the Group will continue to generate adequate cash flows from its operations for the foreseeable future, as disclosed in Note 2(a) to the financial statements.

## 1 Directors

The directors of the Company in office at the date of this statement are:

Zhang Rongxuan	Non-Independent and Non-Executive Chairman
Pang Pok	Executive Director and Chief Executive Officer
Chong Eng Wee	Lead Independent Director
Lim Kee Way Irwin	Independent Director
Lim Chee San	Independent Director (Appointed on 17 October 2022)

## 2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except as disclosed in Note 4 of this statement.



# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below.

Name of director	Direct interest			Deemed interest		
	As at 1.1.2022/ Date of appointment	As at 31.12.2022	As at 21.1.2023	As at 1.1.2022/ Date of appointment	As at 31.12.2022	As at 21.1.2023
	The Company					
Number of ordinary shares						
Pang Pok	16,079,705	16,079,705	16,079,705	65,000,000 <sup>(1)</sup>	55,660,000 <sup>(2)</sup>	55,660,000 <sup>(2)</sup>

(1) Mr Pang Pok is deemed to have interest in the 60,000,000 ordinary shares held through Bank of Singapore Limited in the Company. In addition, by virtue of Section 164(15) of the Act, Mr Pang Pok is deemed to have an interest in 5,000,000 ordinary shares held by his spouse in the Company.

(2) Mr Pang Pok is deemed to have interest in the 50,660,000 ordinary shares held through DBS Nominees (Private) Limited in the Company. In addition, by virtue of Section 164(15) of the Act, Mr Pang Pok is deemed to have an interest in 5,000,000 ordinary shares held by his spouse in the Company.

Mr Pang Pok, by virtue of Section 7 of the Act, is deemed to have interest in the shares held by the Company in its wholly owned subsidiaries.

Mr Pang Pok, by virtue of his interest not less than 20% of the issued share capital of the Company, is deemed to have an interest in the shares held by the Company in the following subsidiaries that are not wholly owned by the Group:

Subsidiaries	As at 1.1.2022	As at 31.12.2022	As at 21.1.2023
Number of ordinary shares			
Wish Hospitality Holdings Private Limited	400	400	400
Sing Global Brands Pte. Ltd.	50,000	50,000	50,000
Raffles Brands Pte. Ltd.	51	51	51

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4 Share Options

The GS Holdings Employee Share Option Scheme (the "GS Holdings ESOS") as well as a performance share plan known as the GS Holdings Performance Share Plan (the "GS Holdings PSP") were first approved and adopted by the members of the Company at the shareholders' meeting held on 17 December 2015. The GS Holdings ESOS and GS Holdings PSP were renewed in the annual general meeting of the Company held on 19 July 2022.

The GS Holdings ESOS and GS Holdings PSP are administered by the Remuneration Committee comprising three directors, Lim Chee San, Chong Eng Wee and Lim Kee Way Irwin. The Chairman of the Remuneration Committee is Lim Chee San. A member of the Remuneration Committee who is also a participant of the GS Holdings ESOS and GS Holdings PSP will not be involved in its deliberation in respect of options/awards granted or to be granted to him.

### GS Holdings ESOS

Information on the GS Holdings ESOS is summarised below.

- (a) The exercise price of the options is determined by Market Price equal to the average of the last dealt prices for a Share on the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five (5) consecutive market days immediately preceding the date on which an offer to grant an option is made or at a discount to the Market Price (subject to a maximum discount of 20%).
- (b) The options vest 12 months after the grant date and expire one year after vesting date unless cancelled or lapsed prior to that date.

The options outstanding at the end of the financial year, details of the options granted under the scheme on the unissued shares of the Company, are as follows:

<u>Date of grant of option</u>	<u>Exercise price per share</u>	<u>Options outstanding as at 1.1.2022</u>	<u>Options exercised</u>	<u>Options cancelled/lapsed</u>	<u>Options outstanding as at 31.12.2022</u>	<u>Exercisable period</u>
6.1.2020	S\$0.735	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>	6.1.2022 to 5.1.2022

Except as disclosed, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4 Share Options (Continued)

### GS Holdings ESOS (Continued)

The details of the movement of the share options awarded since commencement of the GS Holdings ESOS (aggregate) are as follows:

<b>GS Holdings ESOS participants</b>	<b>Aggregate share options granted since commencement of GS Holdings ESOS to 31 December 2022</b>	<b>Aggregate share options cancelled/ lapsed</b>	<b>Aggregate share options outstanding as at 31 December 2022</b>
Existing director - Pang Pok	1,400,000	(1,400,000)	-
Key executives of the Group	600,000	(600,000)	-
Total	<u>2,000,000</u>	<u>(2,000,000)</u>	<u>-</u>

### GS Holdings PSP

The GS Holdings PSP contemplates the award of fully paid shares free of charge to participants after pre-determined performance or service conditions are accomplished. Awards granted under the GS Holdings PSP will be principally performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management and non-executive directors aimed at delivering long-term shareholder value.

The extension of the GS Holdings PSP to executive directors and employees of the Group, including those who are controlling shareholders and their associates and non-executive directors (including our independent directors) of the Group allows the Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of the Group.

The GS Holdings PSP shall continue in operation for a maximum period of 10 years commencing on the date on which the GS Holdings PSP is adopted, provided that the GS Holdings PSP may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4 Share Options (Continued)

### GS Holdings PSP (Continued)

The total number of shares which may be issued or transferred pursuant to the awards granted under the GS Holdings PSP, when added to (i) the number of shares issued or issuable and/or transferred or transferrable in respect of all awards granted thereunder; and (ii) all shares issued or issuable and/or transferred or transferrable under any other share incentive schemes adopted by the Company for the time being in force, shall not exceed 15% of the total issued share capital of the Company on the day preceding the relevant award date.

During the financial year ended 31 December 2022, no performance share awards were issued pursuant to the GS Holdings PSP.

## 5 Audit and Risk Committee

The Audit and Risk Committee ("**ARC**") comprises the following independent directors at the date of this statement:

Lim Kee Way Irwin (Chairman)  
Chong Eng Wee  
Lim Chee San

The ARC carried out its functions in accordance with Section 201B(5) of the Act, the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual (the "**Catalist Rules**") and the Code of Corporate Governance and assists the Board of Directors of the Company (the "**Board**") in the execution of its corporate governance responsibilities within its established terms of reference.

The ARC performs the following functions:

- (a) assist the Board in the discharge of its responsibilities on financial reporting matters;
- (b) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (c) review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;
- (d) review and report to the Board at least annually on the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls;

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5 Audit and Risk Committee (Continued)

The ARC performs the following functions: (Continued)

- (e) commission an independent audit on internal controls and risk management systems, at the Company's expense, for its assurance, or where the ARC is not satisfied with the system of internal controls and risk management;
- (f) review the assurance provided by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;
- (g) review disclosures in the annual report relating to the adequacy and effectiveness of risk management and internal control systems, including assurances received from the CEO and CFO, and concurrence received from the ARC;
- (h) assist the Board in providing oversight in the design, implementation and monitoring of the risk management framework and internal control system, including action to mitigate the risks identified where possible;
- (i) review and discuss with the external auditor any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and to commission an investigation on the aforesaid matters, if necessary;
- (j) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors;
- (k) review significant financial reporting issues and judgments with the CFO and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;
- (l) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;
- (m) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (n) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (o) review any potential conflicts of interest;

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5 Audit and Risk Committee (Continued)

The ARC performs the following functions: (Continued)

- (p) review and approve all hedging policies and instruments (if any) to be implemented by the Group;
- (q) undertake such other reviews and/or matters as may be requested by the Board and reporting to the Board on its findings;
- (r) oversee the establishment and operation of the whistleblowing process in the Company; and
- (s) generally, to undertake such other functions and duties as may be required by any law, rules and regulations which include the Catalist Rules.

Further details regarding the ARC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

## 6 Independent Auditors

Moore Stephens LLP will not be seeking re-appointment as independent auditors of the Company.

On behalf of the Board of Directors,

.....  
Pang Pok  
Director

.....  
Chong Eng Wee  
Director

Singapore

13 June 2023

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GS HOLDINGS LIMITED

## Report on the Audit of the Financial Statements

### *Disclaimer of Opinion*

- 1 We were engaged to audit the financial statements of GS Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- 2 We do not express an opinion on the consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the "**Basis for Disclaimer of Opinion**" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### *Basis for Disclaimer of Opinion*

#### 3 Opening balances

Our independent auditor's report dated 30 June 2022 contains a disclaimer of opinion on the financial statements for the financial year ended 31 December 2021. The basis for disclaimer of opinion on the financial statements for the financial year ended 31 December 2021 is disclosed in Note 34 to the financial statements.

In view of the matters that remain unresolved as described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 31 December 2021, we were unable to determine whether the opening balances as at 1 January 2022 are fairly stated.

Since the opening balances as at 1 January 2022 are entered into the determination of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 31 December 2022, we were unable to determine whether adjustments, if any, might have been found to be necessary in respect of the consolidated financial statements of the Group and the statement of the financial position of the Company for the financial year ended 31 December 2022.

Our opinion on the current financial year's consolidated financial statements of the Group and the statement of financial position of the Company is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GS HOLDINGS LIMITED

## *Basis for Disclaimer of Opinion (Continued)*

### 4 Recoverability of Amount Due from Mr Zhang

As at 31 December 2022, included in the Group's other receivables is an amount of RMB98,466,000 (equivalent to S\$19,073,000) (2021: RMB100,000,000 (equivalent to S\$21,210,000)) as set out in Note 16(b) to the financial statements which is receivable from Mr Zhang Rongxuan ("**Mr. Zhang**"), the Company's Non-Independent and Non-Executive Chairman and Director. As disclosed in Note 16(b) to the financial statements, the foresaid amount was previously recorded as cash and bank balances but was reclassified to other receivables as amount due from Mr. Zhang as at 31 December 2021.

However, we were unable to ascertain the recoverability of the aforesaid amount due from Mr Zhang at the reporting date. Consequently, we were unable to determine whether any adjustments to the amount due from Mr Zhang of RMB98,466,000 (equivalent to S\$19,073,000) as at 31 December 2022 were necessary.

### 5 Existence and Quantum of Bank Balance Held in the People's Republic of China ("**PRC**")

As disclosed in Note 17(a) to the financial statements, the Group is unable to ascertain the bank balance amount of RMB20,451,000 (equivalent to S\$3,961,000) (2021: RMB20,451,000 (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.

We are also unable to arrange for bank confirmation for the aforesaid bank balance amount. Consequently, we were unable to carry out our audit procedures to obtain sufficient appropriate audit evidence to ascertain the existence and the quantum of the bank balance amount of RMB20,451,000 (equivalent to S\$3,961,000) held in Bank of China in the PRC, and related information that may require disclosures in the financial statements as at 31 December 2022.

### 6 Impairment Assessment of Property, Plant and Equipment and Intangible Assets

As at 31 December 2022, the carrying amounts of the Group's property, plant and equipment ("**PPE**") and intangible assets ("**ITA**") were S\$1,219,000 (including right-of-use assets of S\$1,187,000) (2021: S\$1,901,000 (including right-of-use of S\$1,725,000)) and S\$778,000 (including goodwill of S\$468,000) (2021: S\$4,689,000 (including goodwill of S\$4,373,000)), respectively, as disclosed in Note 11 and Note 12, respectively to the financial statements, which are attributable to the food and beverages segment. As disclosed in Note 11 and Note 12 respectively to the financial statements, management has estimated the recoverable amount of the Group's PPE and ITA (collectively the "**Non-Financial Assets**") based on value-in-use calculations. Consequently, management recognised an impairment loss for PPE of S\$270,000 (2021: Nil) (Note 11 (c) to the financial statements) and an impairment loss for ITA (Note 12(b) to the financial statements) in relation to goodwill of S\$3,905,000 (2021: Nil) at the reporting date.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GS HOLDINGS LIMITED

## *Basis for Disclaimer of Opinion (Continued)*

### 6 Impairment Assessment of Property, Plant and Equipment and Intangible Assets (Continued)

However, we are unable to obtain sufficient appropriate audit evidence with respect to the cash flow forecasts used and the key estimates and assumptions applied in the value-in-use calculations to arrive at the recoverable amount of the Non-Financial Assets. Consequently, we were unable to determine whether the carrying amount of the Group's PPE of S\$1,219,000 (including right-of-use assets of S\$1,187,000) and the impairment loss of S\$270,000 recognised as at 31 December 2022 is appropriate. We were also unable to determine whether the carrying amount of the Group's ITA of S\$778,000 (including goodwill of S\$468,000) and the impairment loss in relation to goodwill of S\$3,905,000 recognised as at 31 December 2022 is appropriate.

### 7 Impairment Assessment of Investments in Subsidiaries and Amounts Due from Subsidiaries

As at 31 December 2022, the carrying amounts of the Company's investments in subsidiaries and amounts due from subsidiaries were S\$4,494,000 (2021: S\$9,112,000) and S\$1,928,000 (2021: S\$2,272,000), respectively, as disclosed in Note 13 and Note 16, respectively to the financial statements. As disclosed in Note 13(d) to the financial statements, based on management's judgement, an allowance for impairment loss of S\$4,628,000 (2021: Nil) was recognised for the Company's investments in certain subsidiaries at the reporting date. Also as disclosed in Note 16 to the financial statements, management has assessed the amounts due from subsidiaries, and accordingly, recognised an addition allowance for impairment loss of S\$86,000 at the reporting date.

However, we were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the carrying amount of the Company's investments in subsidiaries of S\$4,494,000, including the allowance for impairment loss of S\$4,628,000 recognised as at 31 December 2022. We were also unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the carrying amount of the amounts due from subsidiaries of S\$1,928,000, including the addition allowance for impairment loss of S\$86,000 recognised as at 31 December 2022.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GS HOLDINGS LIMITED

## *Basis for Disclaimer of Opinion (Continued)*

### 8 Going Concern Assumption

We draw attention to Note 2(a) to the financial statements which indicates that for the financial year ended 31 December 2022, the Group incurred a net loss of S\$6,431,000 (2021: S\$10,420,000) and a total comprehensive loss of S\$7,843,000 (2021: S\$9,383,000). Notwithstanding this, in the opinion of the Board of Directors of the Company, the financial statements can be prepared on a going concern basis as the Group has adequate resources, including the availability of banking facilities and a renewed letter of commitment from a substantial shareholder of the Company, who is also the Company's Executive Director and Chief Executive Officer, for loans of up to S\$2 million that can be drawn down by the Group over a period of 2 years, if required, which will enable the Group to pay its debts as and when they fall due and that the Group will continue to generate adequate cash flows from its operations for the foreseeable future. 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.

However, due to the uncertainties surrounding the outcome of matters highlighted in paragraphs 3 to 7 above which may require further adjustments to the financial statements, we were unable to conclude on the appropriateness of the going concern assumption used in the preparation of the financial statements.

In the event the Group is unable to continue as a going concern, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may 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 recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities, where applicable, as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements.

## *Responsibilities of Management and Directors for the Financial Statements*

- 9 Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GS HOLDINGS LIMITED

## *Responsibilities of Management and Directors for the Financial Statements (Continued)*

- 10 In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- 11 The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

- 12 Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the "**Basis for Disclaimer of Opinion**" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
- 13 We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

## **Report on Other Legal and Regulatory Requirements**

- 14 In our opinion, except for the matters as described in paragraphs 3 to 8 under the "**Basis for Disclaimer of Opinion**" section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.
- 15 The engagement partner on the audit resulting in this independent auditor's report is Mr Ng Chiou Gee Willy.

### **Moore Stephens LLP**

Public Accountants and  
Chartered Accountants

Singapore

13 June 2023

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022 S\$'000	2021 S\$'000
<b>Revenue</b>	4	<b>7,107</b>	5,964
Cost of sales		<b>(5,677)</b>	(5,973)
Gross profit/(loss)		<b>1,430</b>	(9)
Other income	5	<b>530</b>	874
Administrative expenses		<b>(4,075)</b>	(3,628)
Impairment loss on non-financial assets		<b>(4,175)</b>	-
Impairment loss on financial assets	26(a)	<b>(5)</b>	(7,481)
Finance costs	6	<b>(142)</b>	(194)
<b>Loss before income tax</b>	7	<b>(6,437)</b>	(10,438)
Income tax	9	<b>6</b>	18
<b>Loss for the year</b>		<b>(6,431)</b>	(10,420)
<b>Other comprehensive (loss)/income, net of tax:</b>			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		<b>(1,086)</b>	790
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation attributed to non-controlling interests		<b>(326)</b>	247
<b>Other comprehensive (loss)/income for the year</b>		<b>(1,412)</b>	1,037
<b>Total comprehensive loss for the year</b>		<b>(7,843)</b>	(9,383)
<b>Loss for the year attributable to:</b>			
Equity holders of the Company		<b>(6,298)</b>	(8,859)
Non-controlling interests		<b>(133)</b>	(1,561)
		<b>(6,431)</b>	(10,420)
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		<b>(7,384)</b>	(8,069)
Non-controlling interests		<b>(459)</b>	(1,314)
		<b>(7,843)</b>	(9,383)
<b>Loss per share for loss attributable to equity holders of the Company (cents per share)</b>			
Basic	10	<b>(3.33)</b>	(4.74)
Diluted	10	<b>(3.33)</b>	(4.74)

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	11	1,219	1,901	5	10
Intangible assets	12	778	4,689	-	-
Investments in subsidiaries	13	-	-	4,494	9,112
Investment properties	14	920	2,170	-	-
<b>Total non-current assets</b>		<b>2,917</b>	<b>8,760</b>	<b>4,499</b>	<b>9,122</b>
<b>Current assets</b>					
Inventories	15	64	56	-	-
Trade and other receivables	16	19,536	21,702	2,101	2,329
Cash and cash equivalents	17	5,016	6,036	163	102
<b>Total current assets</b>		<b>24,616</b>	<b>27,794</b>	<b>2,264</b>	<b>2,431</b>
<b>Total assets</b>		<b>27,533</b>	<b>36,554</b>	<b>6,763</b>	<b>11,553</b>
<b>Non-current liabilities</b>					
Loans and borrowings	18	1,948	3,087	-	-
Deferred tax liabilities	19	48	48	-	-
<b>Total non-current liabilities</b>		<b>1,996</b>	<b>3,135</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	20	3,551	2,495	1,850	682
Loans and borrowings	18	1,305	1,913	-	-
Income tax payable		5,127	5,614	-	-
<b>Total current liabilities</b>		<b>9,983</b>	<b>10,022</b>	<b>1,850</b>	<b>682</b>
<b>Total liabilities</b>		<b>11,979</b>	<b>13,157</b>	<b>1,850</b>	<b>682</b>
<b>Net assets</b>		<b>15,554</b>	<b>23,397</b>	<b>4,913</b>	<b>10,871</b>
<b>Equity</b>					
Share capital	21	21,488	21,488	21,488	21,488
Reserves	22	(5,454)	(3,681)	-	687
(Accumulated losses)/Retained earnings		(3,391)	2,220	(16,575)	(11,304)
<b>Equity attributable to equity holders of the Company</b>		<b>12,643</b>	<b>20,027</b>	<b>4,913</b>	<b>10,871</b>
Non-controlling interests		2,911	3,370	-	-
<b>Total equity</b>		<b>15,554</b>	<b>23,397</b>	<b>4,913</b>	<b>10,871</b>

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital S\$'000	Share options reserve S\$'000	Currency translation reserve S\$'000	Merger reserve S\$'000	Asset revaluation reserve S\$'000	(Accumulated losses)/ Retained earnings S\$'000	Total equity attributable to equity holders of the Company			Total equity S\$'000	
							Share options reserve S\$'000	Currency translation reserve S\$'000	Merger reserve S\$'000		Asset revaluation reserve S\$'000
<b>Group</b>											
<b>As at January 2022</b>	21,488	687	1,324	(8,611)	2,919	2,220	20,027	3,370	23,397		
(Loss) for the year	-	-	-	-	-	(6,298)	(6,298)	(133)	(6,431)		
Other comprehensive loss	-	-	-	-	-	-	-	-	-		
Currency translation differences arising on consolidation	-	-	(1,086)	-	-	-	(1,086)	(326)	(1,412)		
Total comprehensive loss for the year	-	-	(1,086)	-	-	(6,298)	(7,384)	(459)	(7,843)		
Expired share options not exercised	-	(687)	-	-	-	687	-	-	-		
(Note 23(c)(iii))	-	-	238	(8,611)	2,919	(3,391)	12,643	2,911	15,554		
<b>As at 31 December 2022</b>	21,488	-	238	(8,611)	2,919	(3,391)	12,643	2,911	15,554		

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital S\$'000	Share options reserve S\$'000	Warrants reserve S\$'000	Currency translation reserve S\$'000	Merger reserve S\$'000	Asset revaluation reserve S\$'000	Retained earnings S\$'000	Total equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Group</b>										
<b>As at January 2021</b>	20,469	1,244	3,882	534	(8,571)	2,919	6,600	27,077	4,684	31,761
(Loss) for the year	-	-	-	-	-	-	(8,859)	(8,859)	(1,561)	(10,420)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Currency translation differences arising on consolidation	-	-	-	790	-	-	-	790	247	1,037
Total comprehensive income/ (loss) for the year	-	-	-	790	-	-	(8,859)	(8,069)	(1,314)	(9,383)
Changes in non-controlling interest in a subsidiary (Note 13(c))	-	-	-	-	-	-	*	*	*	-
Strike off of a subsidiary (Note 22(d))	-	-	-	-	(40)	-	40	-	-	-
Issuance of shares pursuant to exercise of warrants (Note 21(a))	1,020	-	-	-	-	-	-	1,020	-	1,020
Share issue expense	(1)	-	-	-	-	-	-	(1)	-	(1)
Expired share options not exercised (Note 23(a)(i))	-	(557)	-	-	-	-	557	-	-	-
Expired warrants not exercised (Note 23(b)(i))	-	-	(3,882)	-	-	-	3,882	-	-	-
<b>As at 31 December 2021</b>	21,488	687	-	1,324	(8,611)	2,919	2,220	20,027	3,370	23,397

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL ENDED 31 DECEMBER 2022

	Group	
	2022 S\$'000	2021 S\$'000
<b>Cash flows from operating activities</b>		
Loss before tax from continuing operations	(6,437)	(10,438)
Adjustments for:		
Bad debts written off	8	-
Depreciation of property, plant and equipment	748	929
Amortisation of intangible assets	28	62
Gain on disposal of property, plant and equipment	(81)	-
Gain on disposal of investment property	(10)	-
Impairment loss on property, plant and equipment	270	-
Impairment loss on intangible assets	3,905	-
Impairment loss of financial assets	5	7,481
Fair value loss on investment properties	800	880
Interest expense	142	194
Unrealised foreign exchange loss/(gain)	104	(125)
Operating cash flows before working capital changes	(518)	(1,017)
Changes in working capital:		
Inventories	(8)	(11)
Receivables	257	368
Payables	477	190
Currency translation adjustments	427	45
Cash generated from/(used in) operations	635	(425)
Income tax refunded	33	21
<b>Net cash generated from/(used in) operating activities</b>	<b>668</b>	<b>(404)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(17)	(89)
Purchase of intangible assets	(22)	(22)
Proceeds from disposal of property, plant and equipment	119	-
Proceeds from disposal of investment property	460	-
Receipt of consideration receivable for disposal of subsidiaries	-	570
<b>Net cash generated from investing activities</b>	<b>540</b>	<b>459</b>
<b>Cash flows from financing activities</b>		
Interest paid	(142)	(194)
Loan from a substantial shareholder	350	-
Proceeds from issuance of new shares	-	1,020
Proceeds from bank loans	-	2,300
Repayment of bank loans	(1,136)	(1,937)
Repayment of lease liabilities	(922)	(816)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,850)</b>	<b>373</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(642)</b>	<b>428</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>6,036</b>	<b>5,606</b>
Effects of foreign currency translation changes on cash and cash equivalents	(378)	2
<b>Cash and cash equivalents at the end of year (Note 17)</b>	<b>5,016</b>	<b>6,036</b>

The accompanying notes form an integral part of the financial statements.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

## 1 GENERAL INFORMATION

GS Holdings Limited (the "**Company**") is a public limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The address of the Company's registered office 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 subsidiaries are set out in Note 13.

The financial statements were approved by the directors of the Company and authorised for issue on the date of the Directors' Statement.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

#### Going concern assumption

For the financial year ended 31 December 2022, the Group incurred a net loss of S\$6,431,000 (2021: S\$10,420,000) and a total comprehensive loss of S\$7,843,000 (2021: S\$9,383,000). Notwithstanding this, in the opinion of the Board of Directors of the Company, the financial statements can be prepared on a going concern basis as the Group has adequate resources, including the availability of banking facilities and a renewed letter of commitment from a substantial shareholder of the Company, who is also the Company's Executive Director and Chief Executive Officer, for loans of up to S\$2 million that can be drawn down by the Group over a period of 2 years, if required, which will enable the Group to pay its debts as and when they fall due and that the Group will continue to generate adequate cash flows from its operations for the foreseeable future. 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.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of Preparation (Continued)

#### Going concern assumption (Continued)

In the event the Group is unable to continue as a going concern, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may 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 recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities, where applicable, as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements.

#### Adoption of new and revised SFRS(I)s

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the revised standards that are relevant to the Group and are mandatorily effective for an accounting period that begins on or after 1 January 2022.

The adoption of the revised standards did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

#### New and revised SFRS(I)s issued but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following revised standards that have been issued and are relevant to the Group but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024

The directors of the Company expect that the adoption of the revised standards listed above will have no material impact on the financial statements of the Group in the period of initial application.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Basis of Consolidation

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair value of the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the subsidiary sold.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3 *Business Combinations*.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Basis of Consolidation (Continued)

#### Subsidiaries (Continued)

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognised any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously-held interest measured is less than the fair value of the net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and recognised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interests in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Basis of Consolidation (Continued)

#### Subsidiaries (Continued)

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference in profit or loss.

### (c) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

### (d) Revenue Recognition

#### Franchise fee and royalty income

Franchise fee is generally recognised upon the transfer of pre-opening services to franchisees. Pre-opening services comprise delivery of recipe and operating manual, consultation and advice concerning site selection criteria, store design and layout, initial training to key employees, training materials, supply or assist on equipment and other materials that are separate from the license. These services provide distinct value to the franchisees, including business and industry insight and knowledge that transfers value apart from the license. Revenue associated with pre-opening services are recognised upon completion of the related performance obligations, generally when the store is opened.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Revenue Recognition (Continued)

#### Franchise fee and royalty income (Continued)

The Group grants franchise license to its customer in return receive royalty income. Royalty income are recognised over time based on a percentage of monthly reported sales. The Group also recognised revenue from continuing supports such as sales of products and provides limited off-site support services to its customers. These continuing fees are recognised at a point-in-time when the products are delivered or when the support services are provided.

#### Sale of food and beverages

The Group sells food and beverage directly to customers at the food outlets. Revenue is recognised when control of the food and beverages has transferred and all criteria for acceptance have been satisfied, being at the point the food and beverage have been served or upon delivery to the customer at the food outlets. The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of sales discounts and refunds. Payment of the transaction price is either due immediately at the point the customer purchases the products or upon initial recognition of revenue, a receivable is recognised as the consideration is unconditional because only the passage of time is required before the payment is due. No element of financing is deemed present.

#### Provision of management consultancy services

The Group provides management consultancy services with relation to Branding, Operations and Procurement ("**BOP**") services to its customers and earns management consultancy services based on the agreements entered upon. Consultancy services include providing training and delivery service at all outlets, managing customer-experience and relationship management matters and evaluate the performance of each outlet and the related executives. The Group also helps in central buying of all related food and beverages products for outlets, designing and establishing a central procurement for all outlets, assisting outlets to match agents on procurement and logistic arrangement, and service procurement's operation and provide improvement recommendation. BOP services are recognised as performance obligation satisfied over time with measure of progress based on service report acknowledged by customers on the work performed that directly corresponds to the value of the Group's performance completed to date.

The Group will bill its customers at the start of every quarter in accordance to the billing terms in the agreement and customers are required to pay within the first three working days of the corresponding quarter. No element of financing is deemed present.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Revenue Recognition (Continued)

#### Provision of management consultancy services (Continued)

Contract liabilities relate to advance consideration received from customers and billings in excess of revenue recognised to-date. Contract liabilities are recognised as revenue as and when the Group satisfies the performance obligations under its contracts.

#### Rental income from foodstalls

Rental income from operating leases is recognised on a straight-line basis over the lease term.

#### Service income

Service income such as water and electricity usage, dishwashing services and other miscellaneous charges is recognised as a performance obligation satisfied over time. Revenue is recognised when the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's services. No element of financing is deemed present.

### (e) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately under other income in profit or loss.

Government grants relating to assets are deducted against the carrying amount of the assets.

### (f) Foreign Currencies

#### Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates ("**functional currency**").

The Company's functional currency is Singapore Dollar ("**S\$**"), which reflects the economic substance of the underlying events and circumstances of the Company. For the purposes of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in S\$, which is the presentation currency for the consolidated financial statements. All values are round to the nearest thousand ("**S\$'000**") except when otherwise indicated.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Foreign Currencies (Continued)

#### Transactions and balances

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency ("**foreign currencies**") are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rates at the reporting date;
- Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- All resulting exchange differences are recognised in the currency translation reserve within equity.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Foreign Currencies (Continued)

#### Translation of Group entities' financial statements (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the currency translation reserve.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

### (g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

### (h) Employee Benefits

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

#### Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Employee Benefits (Continued)

#### Equity-settled share options scheme

Directors and employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options granted on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve, over the vesting period. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognised the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account if new ordinary shares are issued. Upon expiry of the options, the balance in the share option reserve is transferred to retained earnings.

### (i) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (i) Income Tax (Continued)

#### Deferred tax (Continued)

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset utilised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group utilised a previously unutilised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

#### Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Property, Plant and Equipment

#### Measurement

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

#### Depreciation

Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method.

The following useful lives are used in the calculation of depreciation:

	<u>Years</u>
Vehicles	1 – 10
Machineries and equipment	3 – 6
Furniture and fittings	3
Renovation	3 – 10
Foodstalls	2 – 5
Workspace	2

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

#### Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Property, Plant and Equipment (Continued)

#### Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### (k) Intangible Assets

#### Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated, from the acquisition date, to each of the Group's cash-generating-units ("CGUs") or groups of CGUs, that are expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost of disposal and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

#### Computer software

Computer software acquired are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Intangible Assets (Continued)

#### Computer software (Continued)

Computer software are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful life of 3 years.

#### Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. These intangible assets are recognised separately from goodwill and are initially measured at their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and the expenditure is charged to profit or loss in the financial year in which the expenditure is incurred.

Intangible assets with a finite useful life are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible asset with a finite useful life is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

The estimated useful lives of other intangible assets are as follows:

	<u>Years</u>
Brand name	20
Favourable lease agreements	3
Customer relationship	2 - 3

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (l) Investment Properties

Investment properties are properties that are held to earn rentals and/or for capital appreciation, and/or right-of-use asset that are held to earn rental income or for long-term capital appreciation or both, rather than for use in the supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

### (m) Impairment of Non-financial Assets Excluding Goodwill

Other non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (m) Impairment of Non-financial Assets Excluding Goodwill (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### (n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made for obsolete, slow moving and defective inventories.

### (o) Financial Assets

#### Classification

Financial assets that are debt instruments are classified into categories based on the Group's business model for managing them and their contractual cash flow characteristics.

The Group classifies its financial assets at amortised cost. Financial assets measured at amortised cost ("AC") comprise of assets that are held within a business model whose objective is to hold those assets for collection of contractual cash flows, and those contractual cash flows represent solely payments of principal and interest.

#### Initial measurement

Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Financial Assets (Continued)

#### Subsequent measurement

These financial assets are subsequently measured at amortised cost using the effective interest method unless they are part of a designated hedging relationship. Impairment losses and reversals, interest income, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Interest income is based on the effective interest method which allocates interest income over the life of the financial asset based on an effective interest rate that discounts estimated future cash receipts to its gross carrying amount.

#### Impairment

At each reporting date, the Group assesses expected credit losses ("**ECL**") on the following financial instruments:

- Financial assets that are debt instruments measured at AC; and
- Financial guarantee contracts.

ECL is a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all shortfalls between the cash flows due to the Group in accordance with contractual terms, and the cash flows that the Group actually expects to receive. ECL is discounted at the effective interest rate of the financial asset. The Group records allowances on financial assets based on either the:

- 12-month ECL – representing the ECL that results from default events that are possible within the 12 months after the reporting date (or the expected life of the instrument if shorter); or
- Lifetime ECL – representing the ECL that results from all possible default events over the expected life of the contract.

#### *Simplified approach – Trade receivables and contract assets*

For all trade receivables and contract assets, the Group adopts a simplified approach whereby an allowance for lifetime ECL is assessed upon initial recognition. The Group estimates lifetime ECL using a provision matrix based on historical credit loss experience, adjusted for various factors including debtor-specific factors, forward-looking information such as industry and economic forecasts, and others as appropriate.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Financial Assets (Continued)

#### Impairment (Continued)

*General approach – All other financial instruments on which ECL assessment is required*

For all other financial instruments on which ECL is assessed, an allowance for 12-month ECL is recorded upon initial recognition. The allowance is increased to lifetime ECL if the credit risk at each reporting date has increased significantly as compared to the credit risk at initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort including both historical credit experience and forward-looking information.

The Group regards the following as events of default:

- events that make it unlikely for the borrower to repay in full unless the Group undertakes actions to recover the asset; or
- the financial instrument has become overdue in excess of 90 days.

#### *Credit-impaired financial instruments*

At each reporting date, the Group assesses whether a financial instrument on which ECL assessment is required has become credit-impaired. This is the case when one or more events have occurred that are considered to be detrimental to the estimated future cash flows of the instrument. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- other lenders granting concessions to the borrower due to economic or contractual reasons, that would not have been considered in the absence of the borrower's financial difficulty;
- increasing likelihood that the borrower will enter bankruptcy or other financial re-organisation; and
- the disappearance of an active market for the borrower's securities due to financial difficulties.

For credit-impaired financial assets, interest income is determined by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the ECL allowance).

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Financial Assets (Continued)

#### Impairment (Continued)

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the profit and loss.

#### Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes a party to its contractual provisions. All regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the financial asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss.

### (p) Cash and Cash Equivalents

For the purposes of presentation in the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (q) Financial Liabilities

#### Financial liabilities

The Group recognises financial liabilities on its consolidated statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instruments.

Financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

#### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of a financial liability that has been derecognised and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### (r) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously.

### (s) Leases

#### When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (s) Leases (Continued)

#### When the Group is the lessee (Continued)

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets (except for those which meets the definition of an investment property) in "**Property, plant and equipment**" and lease liabilities in "**Loans and borrowings**" in the consolidated statement of financial position. Right-of-use assets which meet the definition of an investment property are presented within "**Investment properties**" and accounted for in accordance with Note 2(I).

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if it is reasonably certain to exercise the option; and
- payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (s) Leases (Continued)

#### When the Group is the lessee (Continued)

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- there is a change in future lease payments arising from changes in an index or rate;
- there is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

#### *Short-term leases and leases of low-value assets*

The Group applies the exemption for all short-term leases (up to 12 months) and low-value assets on a lease-by-lease basis. All lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

#### When the Group is the lessor

##### *Lessor – operating leases*

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### (u) Financial Guarantees

Financial guarantees in the separate financial statements

The Company has issued corporate guarantees to banks for bank loans of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of the bank borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantees are measured initially at their fair values plus transaction costs and subsequently measured at the higher of:

- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers*; and
- the amount of loss allowance determined in accordance with expected credit loss model under SFRS(I) 9 *Financial Instruments*.

### (v) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (w) Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

### (x) Share-based Payments

Non-employee of the Group receives warrants to purchase ordinary shares as consideration for introductory services rendered. The cost of these equity-settled transactions with non-employee is measured by reference to the fair value of the service received when the fair value of service received cannot be reliably estimated, the Group measures the service received by reference to the fair value of the equity instrument granted, measured at the date when the counterparty renders service. This cost is recognised as expense in the consolidated statement of profit or loss and other comprehensive income or as incremental cost against financial asset or liability in the statements of financial position with a corresponding increase in the warrants reserve. No remeasurement is required at each reporting date.

When the warrants are subscribed, the proceeds received (net of transaction costs) and the related balance previously recognised in warrants reserve are credited to share capital account if new ordinary shares are issued. Upon expiry of the options, the balance in the warrants reserve is transferred to retained earnings.

### (y) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

### (z) Non-current Assets Held for Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held for sale.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (z) Non-current Assets Held for Sale and Discontinued Operations (Continued)

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

### (aa) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "**reporting entity**").

- a. A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (aa) Related Parties (Continued)

- b. An entity is related to a reporting entity if any of the following conditions applies:
- i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - iii. both entities are joint ventures of the same third party;
  - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - vi. the entity is controlled or jointly controlled by a person identified in (a);
  - vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### (a) Critical judgements in applying the accounting policies

Other than the going concern assumption disclosed in Note 2(a), management is of the opinion that in the preparation of the financial statements there were no critical judgements made in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

### (b) Key sources of estimation uncertainty

#### Impairment of non-financial assets and goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use.

When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows.

The carrying amounts of the Group's property, plant and equipment (including right-of-use assets) and intangible assets (including goodwill) at the reporting date and details of the impairment assessment are disclosed in Note 11 and Note 12, respectively. The carrying amount of the Company's investments in subsidiaries at the reporting date and details of the impairment assessment are disclosed in Note 13.

#### Valuation of investment properties

The Group's investment properties are stated at fair values based on the valuation performed by independent firm of professional valuers. In determining fair values, the valuers have based their valuation on methods of valuation which involves certain estimates, including comparison with sale transactions of similar properties and expected future income stream to be achieved from the properties. The carrying amount and details of the Group's investment properties at the reporting date and the valuation methodologies including the significant inputs used in the valuation are disclosed in Note 14.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### (b) Key sources of estimation uncertainty (Continued)

#### Estimated credit loss ("ECL") allowance

When measuring ECL allowance, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL allowance. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of ECL allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of ECL allowance recognised and the carrying amounts of trade receivables. The carrying amount of trade and other receivables at the reporting date is disclosed in Note 16 and details of the ECL allowance on trade and other receivables are disclosed in Note 26(a).

#### Shared-based payments

The Group measures the cost of equity-settled transactions with employees and non-employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transaction requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 23.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4 REVENUE

The Group's revenue is disaggregated by major service lines based on primary geographical markets and timing of revenue recognition.

	<b>Franchise fee and royalty income S\$'000</b>	<b>Sale of food and beverages S\$'000</b>	<b>Rental income from food stalls S\$'000</b>	<b>Service income S\$'000</b>	<b>Total S\$'000</b>
<b>Group</b>					
<u>2022</u>					
<i>Primary geographical markets</i>					
Singapore	<b>1</b>	<b>6,054</b>	<b>585</b>	<b>439</b>	<b>7,079</b>
Brunei	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>
	<b>29</b>	<b>6,054</b>	<b>585</b>	<b>439</b>	<b>7,107</b>
<i>Timing of revenue recognition</i>					
At a point in time	<b>29</b>	<b>6,054</b>	<b>-</b>	<b>-</b>	<b>6,083</b>
Over time	<b>-</b>	<b>-</b>	<b>585</b>	<b>439</b>	<b>1,024</b>
	<b>29</b>	<b>6,054</b>	<b>585</b>	<b>439</b>	<b>7,107</b>
	<b>Franchise fee and royalty income S\$'000</b>	<b>Sale of food and beverages S\$'000</b>	<b>Provision of management consultancy services S\$'000</b>	<b>Rental income from food stalls S\$'000</b>	<b>Total S\$'000</b>
<b>Group</b>					
<u>2021</u>					
<i>Primary geographical markets</i>					
Singapore	<b>-</b>	<b>4,962</b>	<b>509</b>	<b>415</b>	<b>5,886</b>
Brunei	<b>24</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>51</b>
Qatar	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>
	<b>51</b>	<b>4,989</b>	<b>509</b>	<b>415</b>	<b>5,964</b>
<i>Timing of revenue recognition</i>					
At a point in time	<b>35</b>	<b>4,989</b>	<b>-</b>	<b>-</b>	<b>5,024</b>
Over time	<b>16</b>	<b>-</b>	<b>509</b>	<b>415</b>	<b>940</b>
	<b>51</b>	<b>4,989</b>	<b>509</b>	<b>415</b>	<b>5,964</b>

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5 OTHER INCOME

	Group	
	2022 S\$'000	2021 S\$'000
Gain on disposal of property, plant and equipment	81	-
Gain on disposal of investment property	10	-
Job support scheme ("JSS") grant	67	406
Rental income	9	31
Rental rebate	9	159
Other government grants	229	142
Others	125	136
	<b>530</b>	874

## 6 FINANCE COSTS

	Group	
	2022 S\$'000	2021 S\$'000
Interest expense		
- bank loans	76	80
- lease liabilities	66	114
	<b>142</b>	194

## 7 LOSS BEFORE INCOME TAX

	Group	
	2022 S\$'000	2021 S\$'000
Loss before income tax is stated after charging/(crediting):		
Audit fee paid/payable to the auditors of the Company		
- current year	164	138
- under provision of prior year	-	1
Bad debts written off	8	-
Depreciation of property, plant and equipment	748	929
Amortisation of intangible assets	28	62
Impairment loss on non-financial assets		
- Impairment loss on property, plant and equipment (Note 11)	270	-
- Impairment loss on intangible assets - goodwill (Note 12)	3,905	-
	<b>4,175</b>	-
Fair value loss on investment properties (Note 14)	800	880
Staff costs (Note 8)	3,295	3,518
Casual labour	5	6
Subcontractor expenses	37	104
Lease expense - short term leases (Note 29(a))	46	103
Realised foreign exchange loss/(gain)	12	(3)
Unrealised foreign exchange loss/(gain)	104	(125)

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 8 STAFF COSTS

	Group	
	2022 S\$'000	2021 S\$'000
Salaries, bonuses and other benefits	2,919	3,084
Contribution to defined contribution plans	376	434
	<b>3,295</b>	3,518

Included in the amounts disclosed above are the directors and key executives of the Group remuneration as disclosed in Note 25(b).

## 9 INCOME TAX

	Group	
	2022 S\$'000	2021 S\$'000
Current year income tax provision	-	-
Overprovision in respect of prior years	(6)	(8)
	(6)	(8)
Deferred tax (Note 19)	-	(10)
	<b>(6)</b>	(18)

The income tax on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory income tax rate is due to the following factors:

	Group	
	2022 S\$'000	2021 S\$'000
Loss before income tax	(6,437)	(10,438)
Tax calculated at a tax rate of 17% (2021: 17%)	(1,094)	(1,774)
Expenses not deductible for tax purposes	1,083	1,402
Income not subject to tax	(66)	(87)
Deferred tax asset not recognised	77	449
Overprovision in respect of prior years	(6)	(8)
	<b>(6)</b>	(18)

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 9 INCOME TAX (CONTINUED)

At 31 December 2022, the Group has unutilised tax losses of approximately S\$3,485,000 (2021: S\$3,032,000) and other deductible temporary differences of S\$83,000 (2021: S\$83,000) that are available for carry forward to offset against future taxable profit subject to agreement by the tax authority and compliance with relevant provisions of the Singapore Income Tax Act. The potential deferred tax assets amounting to approximately S\$606,600 (2021: S\$529,600) have not been recognised in the financial statements as it is not probable that future taxable profit will be sufficient to allow the related tax benefits to be utilised. The unutilised tax losses do not expire under current tax legislation.

Tax losses of entities of the Group in the People's Republic of China ("PRC") are insignificant.

## 10 LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	<b>Group</b>	
	<b>2022</b>	2021
Loss attributable to equity holders of the Company (S\$'000)	<b>(6,298)</b>	(8,859)
Weighted average number of ordinary shares outstanding for basic earnings per share	<b>188,993,260</b>	187,031,616
Adjustments for:		
- GS Holdings ESOS	-	-
Weighted average number of ordinary shares outstanding for diluted earnings per share	<b>188,993,260</b>	187,031,616
Basic loss per share (cents per share)	<b>(3.33)</b>	(4.74)
Diluted loss per share (cents per share)	<b>(3.33)</b>	(4.74)

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Group's potential ordinary shares had comprised GS Holdings Employee Share Option Scheme ("GS Holdings ESOS") outstanding share options. All outstanding share options have lapsed during the current financial year.

As at 31 December 2021, diluted loss per share was the same as basic loss per share as the outstanding share options granted to the employees under the GS Holdings ESOS had not been included in the calculation then given that they were anti-dilutive.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11 PROPERTY, PLANT AND EQUIPMENT

	<b>Vehicles</b>	<b>Machineries</b>	<b>Furniture</b>	<b>Renovation</b>	<b>Foodstalls</b>	<b>Workspace</b>	<b>Total</b>
	<b>S\$'000</b>	<b>and equipment</b>	<b>and</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
		<b>S\$'000</b>	<b>fittings</b>				
			<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>							
<u>2022</u>							
<i>Cost</i>							
As at 1.1.2022	<b>107</b>	<b>117</b>	<b>63</b>	<b>111</b>	<b>4,124</b>	<b>108</b>	<b>4,630</b>
Additions	-	<b>17</b>	-	-	<b>361</b>	-	<b>378</b>
Disposals	<b>(107)</b>	<b>(14)</b>	-	-	<b>(475)</b>	-	<b>(596)</b>
Written-off	-	<b>(36)</b>	<b>(21)</b>	<b>(28)</b>	-	-	<b>(85)</b>
As at 31.12.2022	-	<b>84</b>	<b>42</b>	<b>83</b>	<b>4,010</b>	<b>108</b>	<b>4,327</b>
<i>Accumulated depreciation</i>							
As at 1.1.2022	<b>53</b>	<b>58</b>	<b>29</b>	<b>82</b>	<b>2,457</b>	<b>50</b>	<b>2,729</b>
Depreciation charge	<b>12</b>	<b>35</b>	<b>10</b>	<b>22</b>	<b>613</b>	<b>56</b>	<b>748</b>
Disposals	<b>(65)</b>	<b>(14)</b>	-	-	<b>(475)</b>	-	<b>(554)</b>
Impairment loss recognised (Note 7)	-	<b>36</b>	<b>4</b>	-	<b>230</b>	-	<b>270</b>
Written-off	-	<b>(36)</b>	<b>(21)</b>	<b>(28)</b>	-	-	<b>(85)</b>
As at 31.12.2022	-	<b>79</b>	<b>22</b>	<b>76</b>	<b>2,825</b>	<b>106</b>	<b>3,108</b>
<i>Net carrying amount</i>							
As at 31.12.2022	-	<b>5</b>	<b>20</b>	<b>7</b>	<b>1,185</b>	<b>2</b>	<b>1,219</b>
<b>Group</b>							
<u>2021</u>							
<i>Cost</i>							
As at 1.1.2021	97	55	48	109	3,136	108	3,553
Additions	10	62	15	2	988	-	1,077
As at 31.12.2021	107	117	63	111	4,124	108	4,630
<i>Accumulated depreciation</i>							
As at 1.1.2021	26	27	18	46	1,683	-	1,800
Depreciation charge	27	31	11	36	774	50	929
As at 31.12.2021	53	58	29	82	2,457	50	2,729
<i>Net carrying amount</i>							
As at 31.12.2021	54	59	34	29	1,667	58	1,901

\* Amount below S\$1,000

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	<b>Furniture and fittings S\$'000</b>
<b>Company</b>	
<u>2022</u>	
<i>Cost</i>	<b>15</b>
As at 1.1.2022	<u>-</u>
Additions	<u>15</u>
As at 31.12.2022	
<i>Accumulated depreciation</i>	
As at 1.1.2022	<b>5</b>
Depreciation charge	<u>5</u>
As at 31.12.2022	<u>10</u>
<i>Net carrying amount</i>	<u><b>5</b></u>
As at 31.12.2022	
<u>2021</u>	
<i>Cost</i>	
As at 1.1.2021	5
Additions	<u>10</u>
As at 31.12.2021	<u>15</u>
<i>Accumulated depreciation</i>	
As at 1.1.2021	-*
Depreciation charge	<u>5</u>
As at 31.12.2021	<u>5</u>
<i>Net carrying amount</i>	<u>10</u>
As at 31.12.2021	

\* Amount below S\$1,000.

### (a) Right-of-use assets

Included in property, plant and equipment are right-of-use assets for foodstalls and workspace with an aggregate carrying amount of S\$1,187,000 (2021: S\$1,725,000) (Note 31(a)).

### (b) Non-cash transactions

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
Aggregate cost of property, plant and equipment acquired	<b>378</b>	1,077
Less: Acquired under lease arrangement (Note 18)	<u><b>(361)</b></u>	<u>(988)</u>
Net cash outflow for purchase of property, plant and equipment	<u><b>17</b></u>	<u>89</u>

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### (c) Impairment assessment

As at 31 December 2022, management performed impairment testing of the Group's property, plant and equipment (including right-of-use assets) (collectively, the "Group's PPE"), which are attributable to the food and beverages segment, as there was indication of impairment given the recurring losses arising from operations.

The recoverable amounts of the relevant cash-generating units ("CGUs") have been determined based on value-in-use calculations using discounted cash flow forecasts. The key assumptions applied to the cash flow forecasts were the discount rate, revenue growth rate and gross profit margin based on past performance.

Following the impairment testing, an impairment loss of S\$270,000 (2021: Nil) was recognised for the Group's PPE in the profit or loss of the Group at the reporting date.

#### *Sensitivity analysis*

Management is of the opinion that any sensitivity analysis disclosed is not meaningful as the property, plant and equipment for the relevant CGU is fully impaired at the reporting date.

## 12 INTANGIBLE ASSETS

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
Goodwill arising on business combination	<b>4,373</b>	4,373
Less: Impairment of goodwill (Note 7)	<b>(3,905)</b>	-
Goodwill arising on business combination, net of impairment	<b>468</b>	4,373
Other intangible assets (a)	<b>310</b>	316
	<b>778</b>	4,689

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 12 INTANGIBLE ASSETS (CONTINUED)

### (a) Other intangible assets

	Brand name S\$'000	Favourable lease agreements S\$'000	Customer relationship S\$'000	Computer software S\$'000	Total S\$'000
<b>Group</b>					
<i>Cost</i>					
As at 1.1.2021	340	73	502	-	915
Additions	-	-	-	22	22
As at 31.12.2021	340	73	502	22	937
Additions	-	-	-	22	22
As at 31.12.2022	<b>340</b>	<b>73</b>	<b>502</b>	<b>44</b>	<b>959</b>
<i>Accumulated amortisation</i>					
As at 1.1.2021	26	41	492	-	559
Amortisation charge	16	32	10	4	62
As at 31.12.2021	42	73	502	4	621
Amortisation charge	17	-	-	11	28
As at 31.12.2022	<b>59</b>	<b>73</b>	<b>502</b>	<b>15</b>	<b>649</b>
<i>Net carrying amount</i>					
As at 31.12.2021	298	-	-	18	316
As at 31.12.2022	<b>281</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>310</b>

### (b) 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 the reporting date as follows:

	Group	
	Hao Kou Wei Group CGU S\$'000	Sing Swee Kee CGU S\$'000
<u>2022</u>		
Goodwill	-	468
Intangible assets - Brand name	-	281
<u>2021</u>		
Goodwill	3,905	468
Intangible assets - Brand name	-	298

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 12 INTANGIBLE ASSETS (CONTINUED)

### (b) Impairment assessment (Continued)

The recoverable amounts of the CGUs have been determined from have been determined based on value-in-use calculations 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:

	<b>Group</b>	
	<b>Hao Kou Wei Group CGU</b>	<b>Sing Swee Kee CGU</b>
<u>2022</u>		
Budgeted revenue growth rate <sup>(1)</sup>	<b>5</b>	<b>5 - 18</b>
Budgeted gross margin <sup>(2)</sup>	<b>10 - 15</b>	<b>17</b>
Terminal growth rate <sup>(3)</sup>	<b>2.1</b>	<b>2.1</b>
Discount rate <sup>(4)</sup>	<b>15.41</b>	<b>15.41</b>
<u>2021</u>		
Budgeted revenue growth rate <sup>(1)</sup>	29	30
Budgeted gross margin <sup>(2)</sup>	10	20 - 24
Terminal growth rate <sup>(3)</sup>	2.1	2.1
Discount rate <sup>(4)</sup>	10.84	10.43

(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.

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, the Group recognised a full impairment loss of S\$3,905,000 (2021: Nil) for the Hao Kou Wei Group CGU and Nil (2021: Nil) for the Sing Swee Kee CGU at the reporting date.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 12 INTANGIBLE ASSETS (CONTINUED)

### (b) Impairment assessment (Continued)

#### *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 at the reporting date.

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.

## 13 INVESTMENTS IN SUBSIDIARIES

	<b>Company</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
<i>Unquoted equity shares, at cost</i>		
As at 1 January	<b>9,112</b>	9,122
Incorporation of a subsidiary during the year	<b>10</b>	100
Strike off of a subsidiary during the year	<b>-</b>	(110)
As at 31 December	<b>9,122</b>	9,112
<i>Less: Allowance for impairment</i>		
As at 1 January	<b>-</b>	(110)
Strike off during the year	<b>-</b>	110
Allowance recognised for the year	<b>(4,628)</b>	-
As at 31 December	<b>(4,628)</b>	-
<i>Net carrying amount</i>		
As at 31 December	<b>4,494</b>	9,112

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Details of the subsidiaries at the end of the reporting period are as follows:

Name of subsidiaries	Principal place of business/ country of incorporation	Principal activities	Group's effective equity interest	
			2022 %	2021 %
<i>Held by the Company</i>				
Hawkerway Pte Ltd*	Singapore	Letting and operating of food courts, coffee shops and eating house	<b>100</b>	100
Wish Hospitality Holdings Private Limited*	People's Republic of China/ Singapore	Provision of branding, operations and procurement services	<b>80</b>	80
GS Innovative Food Pte. Ltd.* <sup>(1)</sup>	Singapore	Food processing and manufacturing as well as trading and distribution of food and beverage products	<b>100</b>	-
PMAS International Pte. Ltd.*	Singapore	Dormant	<b>100</b>	100
PMAS International Trading (Hainan) Co., Ltd. <sup>(2)</sup>	People's Republic of China	Dormant	<b>100</b>	100
<i>Held through Hawkerway Pte. Ltd.</i>				
Hao Kou Wei Pte. Ltd.*	Singapore	Letting and operating of self-owned or leased food court, coffee shop and eating houses	<b>100</b>	100

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Details of the subsidiaries at the end of the reporting period are as follows: (Continued)

Name of subsidiaries	Principal place of business/ country of incorporation	Principal activities	Group's effective equity interest	
			2022 %	2021 %
<i>Held through Hao Kou Wei Pte. Ltd.</i>				
Hao Kou Wei Food Group Pte. Ltd.*	Singapore	Operating of self-owned or leased food court, coffee shop and eating houses and provision of consultancy and management services in relation to food and beverage industry	<b>100</b>	100
Sing Global Brands Pte. Ltd. <sup>(3)</sup>	Singapore	Developing, franchising and management of various food and beverage brands, including the central procurement of contractors, equipment, payment systems, supplies, services, utensils etc	<b>50</b>	50
Hao Kou Wei (Shanghai) Food and Beverage Management Co. Ltd. <sup>(2)</sup>	People's Republic of China	Dormant	<b>100</b>	100
Raffles Coffee Pte. Ltd.*	Singapore	Operating of cafes and coffee houses and also to provide management consultancy services	<b>100</b>	100
Rasa Sayang Village Pte. Ltd.*	Singapore	Letting and operating of self-owned or leased food court, coffee shop and eating houses	<b>100</b>	100



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Details of the subsidiaries at the end of the reporting period are as follows: (Continued)

Name of subsidiaries	Principal place of business/ country of incorporation	Principal activities	Group's effective equity interest	
			2022 %	2021 %
<i>Held through Hao Kou Wei Pte. Ltd. (Continued)</i>				
Sing Swee Kee Pte. Ltd.*	Singapore	Operation of a restaurant trading under the name "Sing Swee Kee" Chicken Rice Restaurant	100	100
Sing Zhong Brands Management Pte. Ltd.*	Singapore	Operating of self-owned or leased food court, coffee shop and eating houses and provision of consultancy and management services in relation to food and beverage industry	100	100
<i>Held through Wish Hospitality Holdings Private Limited</i>				
Wish Health Management (Shanghai) Co. Ltd. <sup>(2)</sup>	People's Republic of China	Dormant	80	80
<i>Held through Raffles Coffee Pte. Ltd.</i>				
Raffles Brands Pte. Ltd.*	Singapore	Dormant	51	51
<i>Held through Raffles Brands Pte. Ltd.</i>				
Raffles Brands Management (Shanghai) Co. Ltd. <sup>(2)</sup>	People's Republic of China	Dormant	51	51

\* Audited by Moore Stephens LLP.

<sup>(1)</sup> Incorporated during the financial year.

<sup>(2)</sup> Not required to be audited under the laws of incorporation.

<sup>(3)</sup> The shareholding proportion is 50:50 but management has assessed the Group controls the entity by virtue of the Chairman of the Board of Directors/Shareholders' Meetings shall be at all times, be appointed by the Group, shall be entitled to have and/or exercise casting vote in respect of matters and/or resolutions which cannot be approved and/or passed pursuant to a simple majority of votes pursuant to the terms of the Joint Venture Agreement.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### (b) Incorporation of subsidiaries

#### 2022

During the current financial year, the Company incorporated a wholly owned subsidiary, GS Innovative Food Pte. Ltd., in Singapore with a registered issued share capital of S\$10,000 which has not been paid as at 31 December 2022.

#### 2021

During the previous financial year, the Company had incorporated a wholly owned subsidiary, PMAS International Pte. Ltd., in Singapore with a registered issued share capital of S\$100,000 which had not been paid as at 31 December 2021.

During the previous financial year, the Company had incorporated a wholly owned subsidiary, PMAS International Trading (Hainan) Co., Ltd., in the PRC with a registered capital of US\$1 million which has not been paid as at 31 December 2021.

During the previous financial year, Hao Kou Wei Pte. Ltd., a wholly owned subsidiary of the Group, had incorporated a wholly owned subsidiary, Sing Zhong Brands Management Pte. Ltd., in Singapore with a registered issued share capital of S\$10,000 which has not been paid as at 31 December 2021.

### (c) Changes in interest without a change in control

#### 2021

During the previous financial year, Hao Kou Wei Pte. Ltd. ("**HKW**"), a wholly owned subsidiary of the Group, had acquired the 49% shareholdings from the non-controlling interest in Sing Global Brands Pte. Ltd. ("**Sing Global**"), comprising 9,800 ordinary shares for a consideration of S\$9,800. The impact arising on acquisition of the 49% shareholdings from the non-controlling interest without a change in control was insignificant to the Group.

Following the acquisition of the 49% shareholding from the non-controlling interest, the Group had entered into Joint Venture ("**JV**") Agreement with a JV Partner pursuant to which the JV Partner shall acquire 50% of the Sing Global's existing issued share capital, being and comprising 10,000 ordinary shares at a consideration of S\$10,000 such that upon completion of the transfer of existing ordinary shares, the shareholding proportion of the Sing Global ("**JV Company**") shall be as follows:

	<b>No. of ordinary shares</b>	<b>Percentage of entire issued share capital</b>
HKW	10,000	50%
JV Partner	10,000	50%
Total	20,000	100%

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### (c) Changes in interest without a change in control (Continued)

2021 (Continued)

After the acquisition of existing shares by the JV Partner and subscription for 40,000 subscription shares at S\$40,000 by each of the parties, the issued and paid-up share capital of the JV Company shall increase from S\$20,000 comprising 20,000 ordinary shares to S\$100,000 comprising 100,000 ordinary shares such that upon completion of the subscription of newly issued ordinary shares, the shareholding proportion of the JV Company shall be as follows:

	<b>No. of ordinary shares</b>	<b>Percentage of entire issued share capital</b>
HKW	50,000	50%
JV Partner	50,000	50%
Total	100,000	100%

The changes in interest without a change in control were immaterial to the Group as the JV Company had no significant assets and/or liabilities.

Further updates on the JV Company are disclosed in Note 33.

### (d) Impairment assessment

As at 31 December 2022, management carried out an impairment assessment on the estimated irrecoverable amounts of the Company's investments in certain subsidiaries due to the significant decline in the financial performance and/or financial positions of those subsidiaries. Based on management's judgement, an allowance for impairment loss of S\$4,628,000 (2021: Nil) was recognised on those investments in certain subsidiaries at the reporting date.

### (e) Summarised financial information of subsidiary with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that is considered by management to be material to the Group:

<b>Name of subsidiary</b>	<b>Principal place of business/Country of incorporation</b>	<b>Ownership interests held by NCI</b>
Wish Hospitality Holdings Private Limited	People's Republic of China/Singapore	20%

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### (e) Summarised financial information of subsidiary with material non-controlling interests ("NCI") (Continued)

The above NCI attributed approximately 99% (2021: 99%) of the total accumulated non-controlling interests at the reporting date.

The followings are the financial information of the Group's subsidiary with NCI that are considered by management to be material to the Group:

#### *Summarised statement of financial position*

	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
Current assets	<b>23,121</b>	25,639
Current liabilities	<b>(8,366)</b>	(8,929)
Net assets	<b>14,755</b>	16,710
Net assets attributable to NCI	<b>2,951</b>	3,342

#### *Summarised statement of comprehensive income*

	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	S\$'000
Revenue	-	-
Loss before tax	<b>(533)</b>	(7,701)
Income tax	-	-
Loss after tax and total comprehensive income	<b>(533)</b>	(7,701)
Loss allocated to NCI	<b>(107)</b>	(1,540)

The followings are the financial information of the Group's subsidiary with NCI that are considered by management to be material to the Group: (Continued)

#### *Summarised statement of cash flows*

	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
Cash flows used in operating activities	<b>(164)</b>	(17)
Cash flows from investing activities	-	-
Cash flows used in financing activities	<b>163</b>	-
Net decrease in cash and cash equivalents	<b>(1)</b>	(17)

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 INVESTMENT PROPERTIES

	Group	
	2022 S\$'000	2021 S\$'000
As at 1 January	2,170	3,050
Fair value loss recognised in profit or loss (Note 7)	(800)	(880)
Disposal of investment property	(450)	-
As at 31 December	<b>920</b>	<b>2,170</b>

The following amounts are recognised in profit or loss:

	Group	
	2022 S\$'000	2021 S\$'000
Rental income	8	31
Gain on disposal of investment property	10	-
Direct operating expenses arising from investment property that generated rental income	<b>61</b>	<b>71</b>

Investment properties held by the Group are as follows:

Properties	Description	Location	Existing use	Tenure
Property 1	A single-storey eating house with mezzanine office	16A Sungei Kadut Way, Singapore 728794	Commercial	Leasehold 23 years
Property 2*	A ramp-up factory unit	7 Mandai Link #03-40 Mandai Connection Singapore 728653	Commercial	Leasehold 30 years

\* Disposed during the financial year ended 31 December 2022 (see below).

### Property 1

The Investment Method of valuation was adopted based on the present worth of the expected future income stream in the form of the estimated net profit rental value and capitalised at an appropriate investment yield. This fair value measurement is recognised under Level 3 of the fair value hierarchy.

### Property 2

On 4 April 2022, the Group has disposed the investment property for a sale consideration of S\$460,000.

Further details on the fair value of the Group's investment properties are disclosed in Note 27(b).

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 INVESTMENT PROPERTIES (CONTINUED)

The following table shows the significant unobservable inputs used in the valuation methods:

Description	Fair value S\$	Valuation technique	Significant unobservable input	Range
<u>2022</u>				
Property 1	920,000	Investment method	Discount rate <sup>(1)</sup> Rental growth rate <sup>(2)</sup>	2.90% Nil
<u>2021</u>				
Property 1	1,720,000	Investment method	Discount rate <sup>(1)</sup> Rental growth rate <sup>(2)</sup>	0% Nil
Property 2	450,000	Direct comparison method	Price per square metre <sup>(2)</sup>	S\$2,866

(1) Any significant isolated increases/(decreases) in the significant unobservable input would result in a significantly (lower)/higher fair value measurement.

(2) Any significant isolated increases/(decreases) in the significant unobservable input would result in a significantly higher/(lower) fair value measurement.

### *Investment property pledged as security*

As at 31 December 2021, an investment property with a carrying amount of S\$450,000 was mortgaged to secure bank loans for the Group (Note 18) and was discharged upon the Group's disposal of the investment property during the current financial year.

## 15 INVENTORIES

	Group	
	2022 S\$'000	2021 S\$'000
Finished goods	<b>64</b>	56

The cost of inventories sold included in cost of sales amounted to S\$2,185,000 (2021: S\$2,077,000) during the financial year.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Trade receivables				
- BOP service fees (a)	<b>6,947</b>	7,608	-	-
- third parties	<b>106</b>	80	-	-
	<b>7,053</b>	7,688	-	-
Less: Allowance for impairment loss (Note 26(a))				
- BOP service fees	<b>(6,947)</b>	(7,608)	-	-
- third parties	<b>(30)</b>	(25)	-	-
	<b>(6,977)</b>	(7,633)	-	-
Trade receivables, net	<b>76</b>	55	-	-
Other receivables				
- third parties	<b>130</b>	118	<b>128</b>	30
- subsidiaries	-	-	<b>2,318</b>	2,576
- due from Mr Zhang (b)	<b>19,073</b>	21,210	-	-
	<b>19,203</b>	21,328	<b>2,446</b>	2,606
Less: Allowance for impairment loss (Note 26(a))				
- third parties	-	(1)	-	-
- subsidiaries	-	-	<b>(390)</b>	(304)
	-	(1)	<b>(390)</b>	(304)
Other receivables, net	<b>19,203</b>	21,327	<b>2,056</b>	2,302
Deposits	<b>242</b>	196	<b>23</b>	-
	<b>19,521</b>	21,578	<b>2,079</b>	2,302
GST receivables	-	71	<b>14</b>	4
Prepayments	<b>15</b>	53	<b>8</b>	23
	<b>19,536</b>	21,702	<b>2,101</b>	2,329

Trade receivables are non-interest bearing with credit period of 0 to 30 days term.

The non-trade amounts due from subsidiaries are unsecured, interest-free, and repayable on demand in cash. Management has assessed the amounts due from subsidiaries, and accordingly, recognised an addition allowance for impairment loss of S\$86,000 at the reporting date.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16 TRADE AND OTHER RECEIVABLES (CONTINUED)

### (a) Outstanding BOP service fees

Included in the Group's trade and other receivables are outstanding service fees for the provision of management consulting services from 14 Branding, Operations and Procurement ("BOP") outlets in the PRC amounted to RMB35,867,000 (equivalent to S\$6,947,000) (2021: RMB35,867,000 (equivalent to S\$7,608,000)) at the reporting date.

The details of the movement of the outstanding BOP service fees during the financial year are as follows:

	Group			
	Renminbi		S\$ equivalent	
	2022 RMB'000	2021 RMB'000	2022 S\$'000	2021 S\$'000
Outstanding BOP service fees				
As at 1 January	<b>35,867</b>	121,867	<b>7,608</b>	24,666
BOP service fees rendered during the year	-	24,062	-	5,019
BOP service fees reversed during the year	-	(24,062)*	-	(5,019)*
Late payment interest charged during the year	-	335	-	70
Late payment interest reversed during the year	-	(335)*	-	(70)*
Receipt of BOP service fees under encumbrance (see Note 17(a))	-	(100,000)	-	(21,210)
Performance deposit reclassified from other receivables	-	14,000	-	2,970
Currency realignment	-	-	<b>(661)</b>	1,182
As at 31 December	<b>35,867</b>	35,867	<b>6,947</b>	7,608

\* The revenue from BOP service fees rendered during the previous financial year and the corresponding trade receivable amounts was reversed as management had assessed that these revenues, including the late payment interest charged, did not meet the recognition criteria in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, as it was not probable that the Group will be able to collect the trade receivable amounts for the revenue recognised during the previous financial year.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16 TRADE AND OTHER RECEIVABLES (CONTINUED)

### (a) Outstanding BOP service fees (Continued)

All the 14 BOP outlets had already terminated the BOP service agreements and health management service agreements with the Group during the previous financial year mainly because the businesses of these outlets had been adversely affected by the COVID-19 pandemic.

In view of the above, the directors of the Company and management had then made an assessment on the recoverability of the outstanding BOP service fees, and accordingly, a full allowance for impairment loss was recognised for the outstanding BOP service fees of RMB35,867,000 as at 31 December 2021. Notwithstanding this, the Group continues to engage in enforcement activity to attempt to recover the aforesaid outstanding BOP service fees due. Where recoveries are made, a reversal of the relevant allowance for impairment loss is recognised in profit or loss.

### (b) Amount due from Mr Zhang

Included in the Group's other receivables is an amount of RMB98,466,000 (equivalent to S\$19,073,000) (2021: RMB100,000,000 (equivalent to S\$21,210,000)) at the reporting date which is receivable from Mr Zhang Rongxuan ("Mr. Zhang"), the Company's Non-Independent and Non-Executive Chairman and Director. The aforesaid amount was reclassified from cash and bank balances to other receivables as at 31 December 2021 (see below).

The details of the movement of the amount due from Mr Zhang during the financial year are as follows:

	Group			
	Renminbi		S\$ equivalent	
	2022 RMB'000	2021 RMB'000	2022 S\$'000	2021 S\$'000
Amount due from Mr Zhang				
As at 1 January	100,000	-	21,210	-
Transferred from cash and bank balances (Note 17)	-	100,000	-	21,210
Proceed from partial disposal of received 5,000,000 Listed Shares (see below)	(665)	-	(127)	-
Cash payment received (see below)	(869)	-	(178)	-
Currency realignment	-	-	(1,832)	-
As at 31 December	<u>98,466</u>	<u>100,000</u>	<u>19,073</u>	<u>21,210</u>

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16 TRADE AND OTHER RECEIVABLES (CONTINUED)

### (b) Amount due from Mr Zhang (Continued)

*Basis for the initial classification of the RMB100 million in cash and bank balances and subsequent reclassification to other receivables as at 31 December 2021*

On 26 January 2021, pursuant to a deed of appointment and undertaking, Kaifeng Jufeel Bio-Technology Co., Ltd. ("**Kaifeng Jufeel**") was appointed as an authorised representative to collect the outstanding BOP service fees for and on behalf of the Group.

On 27 April 2021, Kaifeng Jufeel had notified Wish Hospitality Holdings Private Limited ("**Wish**") that it had received outstanding BOP service fees amounting to RMB100,000,000 (the "**RMB100 million**"). The RMB100 million was transferred to one of the bank accounts of Wish Health Management (Shanghai) Co. Ltd. ("**Wish Shanghai**") ("**Bank Account**") in the PRC and such receipt was verified by management (and subsequently verified by the Company's auditors at that time (the "**Previous Auditors**")).

Accordingly, the RMB100 million was deemed as receipt of payments from Wish's customers for the outstanding BOP service fees and therefore management had classified the RMB100 million as cash and bank balances. However, it was subsequently discovered by the Previous Auditors (while in the process of confirming and verifying the receipt of the RMB100 million) that there was an existing encumbrance on the RMB100 million.

Notwithstanding that the RMB100 million was encumbered, management had continued to classify the RMB100 million as cash and bank balances taking into consideration the followings: (a) as verified by the Previous Auditors, the RMB100 million was deposited in the Bank Account save for the existence of the encumbrance and steps were taken to procure the release and discharge of the relevant encumbrance; and (b) the Company obtained guarantees from Mr. Zhang and Kaifeng Jufeel in order to mitigate (to the extent possible) any potential adverse implications arising from the encumbrance.

Both Mr. Zhang and Kaifeng Jufeel (the "**Guarantors**") had also executed a guarantee agreement on 18 August 2021 in favour of Wish which provides that (a) the Guarantors shall guarantee and procure the complete release and discharge of the relevant encumbrance over the Bank Account by 30 September 2021; and (b) if the relevant encumbrance is not completely released and discharged by 30 September 2021, the Guarantors shall be liable to pay and guarantee payment to the Company (or any Group Company as elected by the Company) of such outstanding BOP service fees in the sum of RMB100 million, for the same amount which has been duly received and in the Bank Account.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16 TRADE AND OTHER RECEIVABLES (CONTINUED)

### (b) Amount due from Mr Zhang (Continued)

*Basis for the initial classification of the RMB100 million in cash and bank balances and subsequent reclassification to other receivables as at 31 December 2021 (Continued)*

As at 31 December 2021, the encumbrance on the RMB100 million had yet to be discharged. In the interests of facilitating the resolution of the RMB100 million encumbrance matter, Mr. Zhang had entered into an agreement with the Company on 31 December 2021 for Mr Zhang to transfer (or procure the transfer(s)) of such number of Listed Shares (being shares of a company listed on the Hong Kong Stock Exchange) with an aggregate value of RMB100 million to the Company by 31 March 2022. The Company had also engaged a registered fund management company to assist with and manage the disposal or sale of the Listed Shares.

In view of the foregoing, in particular the aforesaid arrangement between Mr Zhang and the Company, and given that the RMB100 million in the Bank Account remains encumbered for the foreseeable future, the RMB100 million was then therefore reclassified to other receivables as amount due from Mr. Zhang as at 31 December 2021. Mr Zhang had subsequently transferred 5,000,000 Listed Shares worth approximately RMB752,000 (equivalent to S\$156,000) to the Company's appointed licensed brokering firm.

On 1 April 2022, the Company agreed to extend the deadline for Mr Zhang to transfer (or procure the transfer(s) of) the Listed Shares to the Company from the original deadline of 31 March 2022 to 31 May 2022 with Mr Zhang's undertaking to transfer (or procure the transfer(s)) of such number of Listed Shares, the aggregate value of which, when aggregated with previous Listed Shares of 5,000,000 which have been transferred to the Company's appointed licenses brokering firm as disclosed above, is at least RMB50,000,000, to the Company by 30 April 2022.

As at 9 May 2022, save for the aforesaid receipt of 5,000,000 Listed Shares by the Company's appointed licensed brokering firm, the Company has not received any confirmation on the receipt of any additional Listed Shares. In view of the foregoing, on 5 June 2022, the Company announced that Mr Zhang has agreed to pay to the Company the sum of HKD1,000,000 by 15 June 2022. Mr Zhang has also agreed that in the event that the aggregate value of all Listed Shares received by the Company as at 31 July 2022 is less than RMB100 million, Mr Zhang shall undertake to pay to the Company any shortfall in the amount by way of monthly installment of S\$1,000,000 for a period of twelve (12) months commencing from the first week of August 2022. Each monthly installment is to be satisfied:

- (i) in the form of cash payment; or
- (ii) transfer(s) of such number of Listed Shares to the Company (with aggregate value at time of transfer being S\$1,000,000); or
- (iii) 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).

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16 TRADE AND OTHER RECEIVABLES (CONTINUED)

### (b) Amount due from Mr Zhang (Continued)

*Basis for the initial classification of the RMB100 million in cash and bank balances and subsequent reclassification to other receivables as at 31 December 2021 (Continued)*

In the event that the aggregate value of such Listed Shares and monthly installments received by the Company is insufficient to cover the sum of RMB100 million, Mr Zhang shall pay to the Company the outstanding balance together with the final monthly installment.

On 30 December 2022, the Company dispose of 2,700,000 of the received 5,000,000 Listed Shares for a proceed of RMB356,540 (equivalent to S\$68,000) and the remaining 2,300,000 of the received 5,000,000 Listed Shares were disposed of subsequent to the financial year end for a proceed of RMB308,430 (equivalent to S\$59,000). In addition, Mr Zhang paid S\$178,000 in cash to the Company during the financial year. Except for foregoing, there is no other receipt in terms of transfer of Listed Shares or cash payment from Mr Zhang up to the date of these financial statements.

### (c) Outstanding consideration receivable

Included in the Company's other receivables – third parties as at 31 December 2021 was the net outstanding consideration receivable from the disposal of its entire shareholding interest in GreatSolutions Pte. Ltd. and its subsidiary, GS Hospitality Services Pte. Ltd. amounted to S\$30,000. The Company received the net outstanding consideration receivable of \$30,000 during the financial year.

## 17 CASH AND CASH EQUIVALENTS

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
Cash and bank balances – Cash equivalents per consolidated statement of cash flows	<b>5,016</b>	6,036
	<b>Company</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
Cash and bank balances	<b>163</b>	102



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 17 CASH AND CASH EQUIVALENTS (CONTINUED)

### (a) Bank balances held in bank accounts in the People's Republic of China ("PRC") (Continued)

*Basis for the initial classification of the RMB100 million in cash and bank balances and subsequent reclassification to other receivables as at 31 December 2021*

As disclosed in Note 16(b), the Group had received outstanding BOP service fees amounted to RMB100 million and the RMB100 million was transferred to one of the bank accounts of Wish Health Management (Shanghai) Co. Ltd. ("**Wish Shanghai**") ("**Bank Account**") in the PRC and such receipt was verified by management (and subsequently verified by the Company's auditors at that time (the "**Previous Auditors**")).

Accordingly, the RMB100 million was deemed as receipt of payments from Wish's customers for the outstanding BOP service fees and therefore management had classified the RMB100 million as cash and bank balances. However, it was subsequently discovered by the Previous Auditors (while in the process of confirming and verifying the receipt of the RMB100 million) that there was an existing encumbrance on the RMB100 million.

The Group has taken steps to procure the release and discharge of the relevant encumbrance and obtained guarantees from Mr Zhang, the Company's non-independent and non-executive Chairman and Director, and Kaifeng Jufeel Bio-Technology Co., Ltd. ("**Kaifeng Jufeel**"), the appointed authorised representative to collect the outstanding BOP service fees for and on behalf of the Group, in order to mitigate (to the extent possible) any potential adverse implications arising from the encumbrance.

However, the encumbrance on the RMB100 million has yet to be discharged as at 31 December 2021 then. In the interests of facilitating the resolution of the encumbrance matter, Mr. Zhang entered into an agreement with the Company on 31 December 2021 for Mr. Zhang to transfer (or procedure the transfer(s)) of such number of Listed Shares (being shares of a company listed on the Hong Kong Stock Exchange) with an aggregate value of RMB100 million to the Company.

In the view of the foregoing developments, in particular the aforesaid agreement between Mr. Zhang and the Company, given that the RMB100 million remains encumbered for the foreseeable future, the RMB100 million was then reclassified to other receivables as amount due from Mr. Zhang (Note 16(b)) as at 31 December 2021.

As announced by the Company on 1 March 2023 and 15 May 2023, the Group has been informed by Mr Zhang that the RMB100 million has been withdrawn from the bank account of Wish Shanghai and the said bank account closed in January 2022 based on the termination/closure bank documents provided by Mr Zhang to the Group.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 18 LOANS AND BORROWINGS

	Maturity	Group	
		2022 S\$'000	2021 S\$'000
<u>Non-current</u>			
Bank loans:			
Loan A	- 3-month SIBOR plus 3.00% p.a. 2020 – 2028	-	218
Loan B	- Higher of 3-month Swap Offer Rate (“SOR”) or 3.00% p.a. over 3-month Costs of Funds (“COF”) 2024	59	148
Loan C	- Higher of 3-month SOR or 3.00% p.a. over 3-month COF 2024	70	162
Loan D	- Higher of 3-month SOR or 3.00% p.a. over 3-month COF 2020 – 2036	102	175
Loan E	- Fixed at 2.50% p.a. 2020 – 2025	531	854
Loan F	- Fixed at 3% p.a. 2021 – 2023	420	383
		<b>1,182</b>	1,940
Lease liabilities		<b>766</b>	1,147
		<b>1,948</b>	3,087
<u>Current</u>			
Bank loans:			
Loan A	- 3-month SIBOR plus 3.00% p.a.	-	35
Loan B	- Higher of 3-month SOR or 3.00% p.a. over 3-month COF	82	80
Loan C	- Higher of 3-month SOR or 3.00% p.a. over 3-month COF	93	92
Loan D	- Higher of 3-month SOR or 3.00% p.a. over 3-month COF	81	80
Loan E	- Fixed at 2.50% p.a.	323	316
Loan F	- Fixed at 3% p.a.	143	497
		<b>722</b>	1,100
Lease liabilities		<b>583</b>	813
		<b>1,305</b>	1,913
Total loans and borrowings		<b>3,253</b>	5,000

The loans and borrowings of the Group are secured by\*:

- (i) assignment of rental proceeds and all rights of the tenancy agreements;
- (ii) corporate guarantees from the Company;
- (iii) personal guarantee from a director of the Company; and
- (iv) all monies guarantee.

\* Included legal mortgage over one of the Group’s investment properties in 2021 which was discharged in 2022 (see Note 14).

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 18 LOANS AND BORROWINGS (CONTINUED)

The carrying amounts of the loans and borrowings approximate their respective fair values either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the financial statements date or that they are fixed rate instruments and non-current loans and borrowings whose fair values approximates its carrying amounts computed based on cash flows discounted at market borrowing rate for similar financial liabilities as there were no significant changes for the interest rates available to the Group at the reporting date. This fair value measurement is categorised under Level 3 of the fair value hierarchy.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	<b>Bank loans</b>	<b>Lease</b>	<b>Total</b>
	<b>S\$'000</b>	<b>liabilities</b>	<b>S\$'000</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<u>2022</u>			
As at 1 January 2022	<b>3,040</b>	<b>1,960</b>	<b>5,000</b>
Changes from financing cash flows:			
- Repayments	<b>(1,136)</b>	<b>(922)</b>	<b>(2,058)</b>
- Interest paid	<b>(76)</b>	<b>(66)</b>	<b>(142)</b>
Non-cash changes:			
- Interest expense	<b>76</b>	<b>66</b>	<b>142</b>
- New leases	<b>-</b>	<b>361</b>	<b>361</b>
- Offsetting with deposit paid	<b>-</b>	<b>(50)</b>	<b>(50)</b>
As at 31 December 2022	<b>1,904</b>	<b>1,349</b>	<b>3,253</b>
<u>2021</u>			
As at 1 January 2021	2,677	1,788	4,465
Changes from financing cash flows:			
- Proceeds	2,300	-	2,300
- Repayments	(1,937)	(816)	(2,753)
- Interest paid	(80)	(114)	(194)
Non-cash changes:			
- Interest expense	80	114	194
- New leases	-	988	988
As at 31 December 2021	3,040	1,960	5,000



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 18 LOANS AND BORROWINGS (CONTINUED)

### Convertible loan

On 19 June 2021, the Company had entered into a supplemental agreement with the third parties to vary certain terms of the convertible loan agreement to loan up to S\$13,600,000. The loan facility under this supplemental agreement shall be valid until 18 June 2023. Each lender shall have the right to convert all or in parts the loans which have been disbursed by the lenders but excluding accrued interest into fully paid new shares. The maximum number of conversion shares that may be issued to the lenders is 75,555,554 shares. All payments by the Company in respect of a loan to the relevant lender including any interest shall be made in Singapore Dollar unless the lender exercises its conversion right in respect of the loan. The loan bears interest at a rate of 5% per annum and will be payable by the Company in arrears to the lender 3 years from the loan disbursement date.

There is no draw down of the convertible loan during and as at 31 December 2022 and 2021.

## 19 DEFERRED TAX LIABILITIES

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
<u>Non-current</u>		
Deferred tax liabilities – brand name	<b>48</b>	48

The movements in the deferred tax account are as follows:

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
As at 1 January	<b>48</b>	58
Credited to profit or loss (Note 9)	-	(10)
As at 31 December	<b>48</b>	48

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 20 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Trade payables				
- third parties	<b>308</b>	253	-	-
Other payables				
- third parties	<b>741</b>	274	<b>250</b>	69
- subsidiaries	-	-	<b>705</b>	386
- director	<b>34</b>	78	-	44
- dividend payable to non-controlling interest	<b>500</b>	500	-	-
Deposit received				
- third parties	<b>57</b>	60	<b>4</b>	4
Accrued salaries, bonuses and director fees	<b>570</b>	610	<b>235</b>	104
Accrued expenses	<b>988</b>	575	<b>306</b>	75
Amount due to a substantial shareholder	<b>350</b>	-	<b>350</b>	-
	<b>3,548</b>	2,350	<b>1,850</b>	682
Deferred income	<b>13</b>	24	-	-
GST (receivables)/payables	<b>(10)</b>	121	-	-
	<b>3,551</b>	2,495	<b>1,850</b>	682

Trade payables are non-interest bearing with credit period of 0 to 30 days term.

The amounts due to subsidiaries, director and non-controlling interest are non-trade, unsecured, interest-free and repayable on demand in cash.

The amount due to a substantial shareholder, who is also the executive director and chief executive officer of the Company, is an unsecured loan, interest-free and only repayable as and when the Company has excess funds.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 21 SHARE CAPITAL

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

### (a) Exercise of warrants

During the financial year ended 31 December 2021, the Company had issued free warrants to purchase 11,764,705 ordinary shares of the Company at an exercise price of S\$0.255 per share as part of the loan capitalisation of the amount due to the director. The director had exercised 4,000,000 warrants at the exercise price of S\$0.255 for each new ordinary shares and the balance of 7,764,705 warrants had expired during the previous financial year.

## 22 RESERVES

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Share options reserve (a)	-	687	-	687
Currency translation reserve (b)	<b>238</b>	1,324	-	-
Merger reserve (c)	<b>(8,611)</b>	(8,611)	-	-
Asset revaluation reserve (d)	<b>2,919</b>	2,919	-	-
	<b>(5,454)</b>	(3,681)	-	687

Movements of reserves during the financial year are set out in the consolidated statement of changes in equity of the Group.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 22 RESERVES (CONTINUED)

### (a) Share options reserve

The share options reserve represents the fair value of share options granted to employees of the Group under the share options scheme. Further information about the equity-settled share options scheme is disclosed in Note 23(a).

### (b) Currency translation reserve

The foreign currency translation reserve represents the accumulated exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.

### (c) Merger reserve

Merger reserve represents the difference between the amount of the share capital of the subsidiaries at the date on which they were acquired by the Group and the amount of the share capital issued as consideration for the acquisition. On disposal or strike off of these subsidiaries, the balance in the merger reserve relating to the subsidiary disposed is transferred to retained earnings.

### (d) Asset revaluation reserve

Asset revaluation reserve represents the difference between the carrying amount and the fair value recognised when the Group transferred a leasehold property from property, plant and equipment to investment property in 2014.

## 23 SHARE-BASED PAYMENTS

### (a) Equity-settled share options scheme

Share options were granted to certain employees and directors of the Company under the GS Holdings Employee Share Option Scheme ("GS Holdings ESOS") adopted on 17 December 2015.

The scheme is administered by the Remuneration Committee. Options are exercisable at a price based on the average of the last dealt prices for the shares of the Company on the Singapore Exchange Securities Trading Limited for the five consecutive trading days preceding the date of grant. The Remuneration Committee may at its discretion fix the exercise price at a discount not exceeding 20% to the above price. The vesting period is one year. Options are forfeited if the employees or directors leave the Group before the options vest.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23 SHARE-BASED PAYMENTS (CONTINUED)

### (a) Equity-settled share options scheme (Continued)

Details of the share options outstanding are as follows:

	Group and Company			
	2022		2021	
	Number of share options	Weighted average exercise price S\$	Number of share options	Weighted average exercise price S\$
Outstanding at the beginning of year (i)	2,000,000	0.418	5,300,000	0.538
Cancelled/Lapsed during the year (ii)	(2,000,000)	0.418	(3,300,000)	0.418
Outstanding at the end of year	-		2,000,000	
Exercisable at the end of year	-		2,000,000	

- (i) Out of the aggregate 5,300,000 share options granted, 3,300,000 of the share options were granted on 25 September 2019 and the estimated fair value of the share options granted to directors and key executive on that day was S\$0.169 and S\$0.167, respectively. The remaining 2,000,000 share options were granted on 6 January 2020 and the estimated fair value of the share options granted to directors and key executive on that day was S\$0.3477.
- (ii) Out of the aggregate 5,300,000 share options granted, 3,300,000 share options had lapsed on 24 September 2021 and the balance amount of S\$557,000 in the share options reserve was accordingly transferred to retained earnings.
- (iii) Out of the aggregate 5,300,000 share options granted, 2,000,000 share options have lapsed on 5 January 2022 and the balance amount of S\$687,000 in the share options reserve was accordingly transferred to retained earnings.

### (b) Warrants to purchase ordinary shares

- (i) During the financial year ended 31 December 2019, the Company had issued warrants to purchase 35,000,000 ordinary shares of the Company at an exercise price of S\$0.18 per share as compensation for services provided by introducer for share placement and convertible loan. These warrants had expired in the previous financial year, and accordingly, the balance amount of S\$3,882,000 in the warrants reserve was transferred to retained earnings.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 24 COMMITMENTS AND CONTINGENT LIABILITIES

### (a) Registered capital which has not been paid

The followings are subsidiaries incorporated by the Group whose registered capital has not been paid as at 31 December 2022 and 2021:

	Group	
	2022 '000	2021 '000
<u>Held by the Company</u>		
PMAS International Pte. Ltd.	<b>S\$100</b>	S\$100
PMAS International Trading (Hainan) Co., Ltd.	<b>US\$1,000</b>	US\$1,000
GS Innovative Food Pte. Ltd.	<b>S\$10</b>	-
<u>Held by Hao Kou Wei Pte. Ltd.</u>		
Hao Kou Wei (Shanghai) Food and Beverage Management Co. Ltd.	<b>US\$1,000</b>	US\$1,000
Sing Zhong Brands Management Pte. Ltd.	<b>S\$10</b>	S\$10
<u>Held by Wish Hospitality Holdings Private Limited</u>		
Wish Health Management (Shanghai) Co. Ltd.	<b>US\$1,000</b>	US\$1,000
<u>Held by Raffles Brand Pte. Ltd.</u>		
Raffles Brands Management (Shanghai) Co. Ltd.	<b>US\$100</b>	US\$100

As at the date of these financial statements, none of the above subsidiaries' registered capital has been paid.

### (b) Entry into letter of intent

As set out in the Company's announcement dated 28 December 2021, a letter of intent (the "**Letter of Intent**") was entered into between the Group's wholly owned subsidiary, Sing Zhong Brands Management Pte. Ltd. ("**Sing Zhong Brands Management**") and a third party, Action Culture Pte. Ltd. ("**Action Culture**"), a company incorporated in Singapore, with the aim of establishing 10 China's food and beverage ("**F&B**") brands and 10 Singapore F&B brands, which will be sold as franchise in Asian countries including but not limited to the People's Republic of China and Singapore. All 20 F&B brands developed will be owned and registered as the intellectual properties of Sing Zhong Brands Management.

Pursuant to the Letter of Intent, both parties had agreed, among others, that the fees payable to Action Culture will be via the issuance of new ordinary shares in the Company based on certain performance targets agreed upon.

At the date of these financial statements, the Group is in discussion with Action Culture to terminate the Letter of Intent as the Group wishes to focus on expanding other parts of its existing F&B business.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 24 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

### (c) Entry into memorandum of understanding

A wholly owned subsidiary of the Company, GS Innovative Food Pte. Ltd. (“**GS Innovative**”) on 9 May 2022 entered into memorandum of understanding (the “**MOU**”) with a third party, Ants Innovate Pte. Ltd., in respect of their cooperation in the production and supply of plant-based and cell-based meat products. Subject to the satisfactory completion of certain matters set out in the MOU, the parties have agreed to commit towards entering into a definitive agreement within six (6) months from the date of the MOU.

At the date of these financial statements, there are no further material updates and developments in respect of the MOU and/or entry into the definitive agreement with Ants Innovate Pte. Ltd..

### (d) Corporate guarantees

The Company provided corporate guarantees to banks for the banking facilities granted to the subsidiaries of the Group at the end of the reporting period:

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Corporate guarantees issued				
Subsidiaries	-	-	<b>1,864</b>	3,216

These corporate guarantees issued are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*. The directors of the Company do not expect credit loss exposure arising from these corporate guarantees in view of the bank loans of the subsidiaries are secured by personal guarantee from a director of the Company.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 25 RELATED PARTY TRANSACTIONS

- (a) In addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties, who are not members of the Group, during the financial year on terms agreed by the parties concerned:

	Group	
	2022 S\$'000	2021 S\$'000
<u>With related parties</u>		
Rental expenses	<b>232</b>	93
<u>With substantial shareholder/director of the Company</u>		
Rental expenses	<b>396</b>	313
Loan received	<b>350</b>	-
<u>With directors of the Company</u>		
Provision of consultancy services	<b>84</b>	95

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

### (b) Key management personnel compensation

	Group	
	2022 S\$'000	2021 S\$'000
Directors' fees	<b>169</b>	182
Salaries and bonuses	<b>601</b>	683
Contributions to defined contribution plans	<b>45</b>	48
	<b>815</b>	913
<i>Comprised:</i>		
Directors of the Company	<b>411</b>	435
Key executives of the Group	<b>404</b>	478
	<b>815</b>	913

As at 31 December 2022, the outstanding share options for directors and key executives are Nil (2021: 1,400,000) and Nil (2021: 600,000), respectively.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS

### (a) Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The directors of the Company review and agree policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. These risks include credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### *Foreign currency risk*

The Group has transactional currency exposures arising from transactions denominated in currencies other than the functional currency of the entities of the Group. The foreign currency in which the Group's transactions are denominated and have exposure to foreign currency risk is primarily Renminbi ("**RMB**"). The Group does not hedge against foreign exchange exposure as the currency risk is not expected to be significant.

The Group's currency exposure based on the information provided to key management at the reporting date is as follows:

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
<i>Financial assets</i>		
Cash and cash equivalents	<b>12</b>	14
<i>Financial liabilities</i>		
Trade and other payables	<b>(842)</b>	(2,926)
Net financial liabilities denominated in foreign currency	<b>(830)</b>	(2,912)

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

#### *Foreign currency risk (Continued)*

##### Sensitivity analysis

No sensitivity analysis is disclosed in the financial statements as management considers the impact of a reasonable strengthening/weakening of S\$ against RMB, assuming that all other variables remain constant, at the reporting date is not material.

Management also considers the Company has no exposure to foreign currency risk as the Company has no monetary assets and monetary liabilities denominated in foreign currencies at the reporting date.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings. The Group's policy is to obtain most favourable interest rate available whenever the Group obtains additional financing through bank loans and borrowings. The interest rates and terms of maturity and repayment of loans and borrowings of the Group are disclosed in Note 18. The Group does not utilise derivatives to mitigate its interest rate risk.

As the Group has no significant interest-bearing financial assets, the Group's income is substantially independent of changes in market interest rates.

##### Sensitivity analysis

No sensitivity analysis is disclosed in the financial statements as management considers the impact of a reasonable change in market interest rates on the Group's loans and borrowings with floating rates, assuming that all other variables remain constant, at the reporting date is not material.

#### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

*Credit risk (Continued)*

*Maximum exposure and concentration of credit risk*

The Group has no significant concentration of credit risk except that the Group's trade receivables comprise 14 debtors (2021: 14 debtors) that represented 98% (2021: 99%) of the total trade receivables.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statement of financial position and the amounts relating to corporate guarantees given by the Company for the banking facilities granted to the subsidiaries of the Group at the end of the reporting period as disclosed in Note 24(d).

The credit risk for trade receivables based on the information provided by key management is as follows:

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<u>By geographical areas</u>				
Singapore	67	43	-	-
Brunei	9	12	-	-
	<b>76</b>	55	-	-

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Debtors has a low risk of default and does not have any past due amount	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

#### *Credit risk (Continued)*

#### Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, based on historical experience, that is available without undue cost or effort.

In particular, the Group considers the historical and current payment patterns of the debtors when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if the financial asset has a low risk of default; if the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

#### *Credit risk (Continued)*

##### Definition of default

The Group considers a debtor is in default when information developed internally or obtained from external sources indicated that the debtor is unlikely to pay its creditors. Based on historical experience, it indicates that receivables that meet the criteria is generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

##### Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

*Credit risk (Continued)*Estimation techniques and significant assumptions (Continued)

The details of the movement of credit loss allowance during the financial year are as follows:

	<b>Trade receivables S\$'000</b>	<b>Other receivables S\$'000</b>	<b>Total S\$'000</b>
<b>Group</b>			
As at 1 January 2021	25	500	525
Loss allowance measured:			
Lifetime ECL			
- Credit-impaired	7,480	1	7,481
Written off	-	(500)	(500)
Currency realignment	128	-	128
As at 31 December 2021	7,633	1	7,634
Loss allowance measured:			
Lifetime ECL			
- Credit-impaired	5	-	5
- Written off	-	(1)	(1)
Currency realignment	(661)	-	(657)
As at 31 December 2022	6,977	-	6,977
<b>Company</b>			
As at 1 January 2021	-	500	500
Loss allowance measured:			
Lifetime ECL			
- Credit-impaired	-	304	304
Written off	-	(500)	(500)
As at 31 December 2021	-	304	304
Loss allowance measured:			
Lifetime ECL			
- Credit-impaired	-	86	86
As at 31 December 2022	-	390	390

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

#### *Credit risk (Continued)*

##### Trade receivables

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions with consideration on the ability of the customers to settle the receivables.

##### Other receivables – third party

The Group has applied the 12-month ECL approach for the expected credit loss model to measure the credit loss allowance on the other receivables – third party. The Group has taken into account the historical default experience and concluded that there has been significant increase in the credit risk.

##### Other receivables – due from Mr Zhang

The Group has assessed the other receivables – due from Mr Zhang (Note 16(b)) to have low credit risk, and accordingly, the expected credit loss is insignificant.

##### Other financial assets

Other financial assets include other receivables (excluding prepayments, grant receivables and GST receivables) and cash and cash equivalents which the expected credit loss is insignificant.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

*Credit risk (Continued)*

Credit quality

The table below details the credit quality of the Group's/Company's financial assets:

		<b>Gross carrying amount S\$'000</b>	<b>Loss allowance S\$'000</b>	<b>Net carrying amount S\$'000</b>
<b>Group</b>				
<u>2022</u>				
Trade receivables arising from BOP arrangement	Lifetime ECL	<b>6,947</b>	<b>(6,947)</b>	-
Trade receivables - third parties	Lifetime ECL	<b>106</b>	<b>(30)</b>	<b>76</b>
Other receivables - third parties	12-month ECL - significant increase in credit risk	<b>130</b>	-	<b>130</b>
Other receivables - due from Mr Zhang	12-month ECL	<b>19,073</b>	-	<b>19,073</b>
Other receivables (excluding prepayments, grant receivables and GST receivables)	12-month ECL	<b>242</b>	-	<b>242</b>
Cash and cash equivalents	N.A. - exposure limited	<b>5,016</b>	-	<b>5,016</b>
<u>2021</u>				
Trade receivables arising from BOP arrangement	Lifetime ECL	7,608	(7,608)	-
Trade receivables - third parties	Lifetime ECL	80	(25)	55
Other receivables - third parties	12-month ECL - significant increase in credit risk	118	(1)	117
Other receivables - due from Mr Zhang	12-month ECL	21,210	-	21,210
Other receivables (excluding prepayments, grant receivables and GST receivables)	12-month ECL	196	-	196
Cash and cash equivalents	N.A. - exposure limited	6,036	-	6,036



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

*Credit risk (Continued)*

Credit quality (Continued)

The table below details the credit quality of the Group's/Company's financial assets:  
(Continued)

		<b>Gross carrying amount S\$'000</b>	<b>Loss allowance S\$'000</b>	<b>Net carrying amount S\$'000</b>
<b>Company</b>				
<u>2022</u>				
Other receivables – subsidiaries	Lifetime ECL – significant increase in credit risk	<b>2,318</b>	<b>(390)</b>	<b>1,928</b>
Other receivables – third party	12-month ECL – significant increase in credit risk	<b>128</b>	<b>-</b>	<b>128</b>
Cash and cash equivalents	N.A. – exposure limited	<b>163</b>	<b>-</b>	<b>163</b>
<u>2021</u>				
Other receivables – subsidiaries	Lifetime ECL – significant increase in credit risk	2,576	(304)	2,272
Other receivables – third party	12-month ECL – significant increase in credit risk	30	-	30
Cash and cash equivalents	N.A. – exposure limited	102	-	102

The Group's/Company's credit risk exposure for cash and cash equivalents are insignificant as at 31 December 2022 and 31 December 2021.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

#### *Credit risk (Continued)*

#### Financial guarantees

The Company has issued financial guarantees to banks for banking facilities granted to the subsidiaries of the Group. These financial guarantees are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*. The Group/Company has assessed that the subsidiaries have the financial capability to meet the contractual cash flow obligations. In addition, the banking facilities are secured by personal guarantee from a director of the Company. Hence, the Group/Company does not expect significant credit losses arising from these financial guarantees.

#### *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

Further details on the Group's/Company's going concern are disclosed in Note 2(a).

The table below summarises the maturity profile of the Group's/Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<b>1 year or less S\$'000</b>	<b>1 to 5 years S\$'000</b>	<b>Over 5 years S\$'000</b>	<b>Total \$'000</b>
<b>Group</b>				
<u>2022</u>				
Trade payables	<b>308</b>	-	-	<b>308</b>
Other payables	<b>3,186</b>	-	-	<b>3,186</b>
Bank loans	<b>775</b>	<b>1,214</b>	-	<b>1,989</b>
Lease liabilities	<b>756</b>	<b>1,173</b>	-	<b>1,929</b>
Financial guarantees*	-	-	-	-
	<b>5,025</b>	<b>2,387</b>	-	<b>7,412</b>

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial risk management (Continued)

*Liquidity risk (Continued)*

	<b>1 year or less S\$'000</b>	<b>1 to 5 years S\$'000</b>	<b>Over 5 years S\$'000</b>	<b>Total \$'000</b>
<b>Group</b>				
<u>2021</u>				
Trade payables	253	-	-	253
Other payables	2,037	-	-	2,034
Bank loans	1,176	1,974	66	3,216
Lease liabilities	869	1,214	-	2,083
Financial guarantees*	-	-	-	-
	<u>4,335</u>	<u>3,188</u>	<u>66</u>	<u>7,586</u>
<b>Company</b>				
<u>2022</u>				
Other payables	<b>1,846</b>	-	-	<b>1,846</b>
Financial guarantees*	<b>1,864</b>	-	-	<b>1,864</b>
	<u><b>3,710</b></u>	<u>-</u>	<u>-</u>	<u><b>3,710</b></u>
<u>2021</u>				
Other payables	678	-	-	678
Financial guarantees*	3,216	-	-	3,216
	<u>3,894</u>	<u>-</u>	<u>-</u>	<u>3,894</u>

\* At the reporting date, the maximum exposure of the Company in respect of the intra-group financial guarantees (Note 24) based on the amount of banking facilities drawn down by the subsidiaries of the Group are S\$1,864,000 (2021: \$3,216,000).

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 27 FAIR VALUES OF ASSETS AND LIABILITIES

### (a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- (i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- (iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1, Level 2 and Level 3 during the financial years ended 31 December 2022 and 2021.

### (b) Fair value measurements of assets and liabilities that are measured at fair value

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:

	<b>Level 1</b> <b>S\$'000</b>	<b>Level 2</b> <b>S\$'000</b>	<b>Level 3</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
<b>Group</b>				
<i>Recurring fair value measurements</i>				
<u>2022</u>				
Non-financial assets:				
Investment properties (Note 14)	-	-	<b>920</b>	<b>920</b>
<u>2021</u>				
Non-financial assets:				
Investment properties (Note 14)	-	-	2,170	2,170

Management is responsible for selecting and engaging valuation experts that possesses the relevant credentials and knowledge for the valuation of the investment properties. The professional valuer holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 27 FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

### (b) Fair value measurements of assets and liabilities that are measured at fair value (Continued)

For valuation performed by the professional valuer, management reviews the appropriateness of the valuation methodologies and assumptions adopted. In determining the fair value of the investment properties, the valuation of the investment properties is based on comparable market transactions of similar properties and the estimated future income stream to be achieved from the properties.

### (c) Movements in Level 3 assets and liabilities measured at fair value

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	Investment properties	
	2022 S\$'000	2021 S\$'000
As at 1 January	2,170	3,050
Disposal	(450)	-
Fair value loss recognised in profit or loss	(800)	(880)
As at 31 December	920	2,170

### (d) Determination of fair values

#### *Loans and borrowings*

The basis of determining the fair value of loans and borrowings for disclosure at the end of the reporting period is disclosed in Note 18.

#### *Other financial assets and liabilities*

The carrying amounts of the Group's/Company's current financial assets and current financial liabilities approximate their fair values due to their short-term maturity.

## 28 SEGMENT INFORMATION

The Group is organised into business units based on its services for management purposes. The reportable segments are food and beverages ("**F&B**"); branding, operations and procurement ("**BOP**") services; investment holdings under continuing operations and cleaning services under discontinued operations. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 28 SEGMENT INFORMATION (CONTINUED)

The segment information provided to management for the reportable segments are as follows:

	F&B S\$'000	BOP Services S\$'000	Investment Holdings S\$'000	Eliminations S\$'000	Total S\$'000
<b>2022</b>					
<b>Segment revenue</b>					
Sales to external customers	7,107	-	-	-	7,107
Intersegment sales	103	-	-	(103)	-
Total revenue	7,210	-	-	(103)	7,107
<b>Segment (loss)/profit</b>	1,150	(544)	(7,043)	-	(6,437)
<i>Significant non-cash items:</i>					
Bad debts written off	(8)	-	-	-	(8)
Depreciation of property, plant and equipment	(731)	-	(17)	-	(675)
Amortisation of intangible assets	(19)	-	(9)	-	(28)
Gain on disposal of property, plant and equipment	61	-	31	(11)	81
Gain on disposal of investment property	-	-	10	-	10
Impairment losses on non-financial assets	(270)	-	(3,905)	-	(4,175)
Impairment loss on financial assets	(5)	-	-	-	(5)
Fair value loss on investment properties	-	-	(800)	-	(800)
<b>Segment assets</b>	1,344	23,110	5,767	-	27,533
Segment assets includes additions to property, plant and equipment	378	-	-	-	378
<b>Segment liabilities</b>	(5,519)	(5,164)	(1,296)	-	(11,979)

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 28 SEGMENT INFORMATION (CONTINUED)

The segment information provided to management for the reportable segments are as follows: (Continued)

	F&B S\$'000	BOP Services S\$'000	Investment Holdings S\$'000	Eliminations S\$'000	Total S\$'000
<b>2021</b>					
<b>Segment revenue</b>					
Sales to external customers	5,964	-	-	-	5,964
Intersegment sales	3	-	-	(3)	-
Total revenue	5,967	-	-	(3)	5,964
<b>Segment (loss)/profit</b>	(354)	(7,787)	(2,297)	-	(10,438)
<i>Significant non-cash items:</i>					
Depreciation of property, plant and equipment	(898)	-	(31)	-	(929)
Amortisation of intangible assets	(62)	-	-	-	(62)
Impairment loss on financial assets	-	(7,481)	-	-	(7,481)
Fair value loss on investment properties	-	-	(880)	-	(880)
<b>Segment assets</b>	8,376	25,632	2,546	-	36,554
Segment assets includes additions to property, plant and equipment	1,057	-	20	-	1,077
<b>Segment liabilities</b>	(5,693)	(6,791)	(673)	-	13,157

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 28 SEGMENT INFORMATION (CONTINUED)

### *Segment results*

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss before tax in the consolidated financial statements.

### *Segment assets*

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments.

### *Segment liabilities*

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments.

### *Geographical information*

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Singapore	<b>7,079</b>	5,886	<b>6,966</b>	8,760
Brunei	<b>28</b>	51	-	-
Qatar	-	27	-	-
	<b>7,107</b>	5,964	<b>6,966</b>	8,760

### *Major customers*

There is no single (2021: no single) external customer which amounted to 10% (2021: 10%) or more of the Group's revenue for the financial years ended 31 December 2022 and 2021.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 29 LEASES

### (a) The Group as a lessee:

#### *Nature of the Group's leasing activities*

- (i) The Group has entered into operating lease on its investment properties. The right-of-use asset is classified as investment properties in Note 14.
- (ii) The Group leases foodstalls from non-related parties. The leases have an average tenure of between 1 – 5 years.
- (iii) In addition, the Group leases foodstalls with contractual terms of 3 months. These leases are short-term. The Group has elected not to recognised right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 26(a).

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
<u>Classified within property, plant and equipment (Note 11)</u>		
Foodstalls and workspace	<b>1,187</b>	1,725
(Disposal)/Additions to right-of-use assets	<b>(114)</b>	988

Amounts recognised in profit or loss:

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
<u>Depreciation charge for the financial year (Note 11)</u>		
Foodstalls and workspace	<b>669</b>	824
<u>Impairment of non-financial assets</u>		
Foodstalls	<b>230</b>	-
<u>Lease expense/(income) not included in the measurement of lease liabilities</u>		
Lease expense – short term leases (Note 7)	<b>46</b>	103
Rental rebate (Note 5)	<b>(9)</b>	(159)
	<b>37</b>	(56)
Interest expense on lease liabilities (Note 6)	<b>66</b>	114

Total cash flows for the Group's leases amounted to S\$1,034,000 (2021: S\$1,033,000).

As at 31 December 2022, the Group is committed to S\$46,000 (2021: S\$103,000) of short-term leases.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 29 LEASES (CONTINUED)

### (b) The Group as a lessor

*Nature of the Group's leasing activities – Group as a lessor*

The Group leased out its foodstalls to third parties for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from foodstalls and investment properties are disclosed in Notes 4 and 14, respectively.

Maturity analysis of lease payments – the Group as a lessor

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
Less than one year	<b>707</b>	501
One to two years	<b>631</b>	93
	<b>1,338</b>	594

## 30 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital of the Group consists of share capital and retained earnings/accumulated losses and the Group's overall strategy remains unchanged from 2021.

The Group monitors capital based on gearing ratio of loans and borrowings to shareholders' funds which is defined as equity attributable to owners of the parent.

	<b>Group</b>	
	<b>2022</b>	2021
	<b>S\$'000</b>	S\$'000
Interest-bearing liabilities	<b>1,904</b>	3,040
Equity attributable to owners of the parents	<b>12,643</b>	20,027
Gearing ratio (times)	<b>0.15</b>	0.15

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 31 INDEPENDENT REVIEW REPORT

As set out in the Company's announcement on 20 August 2021, the Audit and Risk Committee (the "**ARC**") has instructed the Company to engage a suitably qualified and experienced independent party (the "**Independent Reviewer**") to carry out an independent review of the Group's BOP business (the "**Independent Review**") in view of the disclaimer of opinion issued by the independent auditors on the audited financial statements for the financial year ended 31 December 2021 and the various issues noted since the Group's diversification into the BOP business.

Although the BOP business has since ceased with the termination of the BOP Agreements and Health Management Service agreements with all 14 Secured Outlets during the financial year, the Company is still proceeding with the Independent Review as the ARC is of the view that it remains pertinent to seek independent insight into the difficulties pertaining to the BOP business model and recommendations, if any. This may assist the Group to better execute future business strategies and/or implement additional internal control measures as deemed necessary.

Deloitte & Touche Financial Advisory Services Pte Ltd ("**Deloitte**") has been engaged as the Independent Reviewer and the Independent Review Report has been released on 14 April 2023.

In the Independent Review Report (the "**Report**"), Deloitte identified lapses by the Board of Directors ("**Board**") and management of the Company in relation to diversifying into and managing the BOP business, as well as collection of the BOP service fees. The Report highlighted the following findings amongst others:

- (a) Management did not fully meet the conditions set by the then Board when it decided to diversify into the BOP business. The Board had required management to conduct due diligence on all the BOP outlets prior to entering into BOP service agreements with the outlets. Such due diligence requirements include (i) site visits to BOP outlets to investigate the ongoing traffic and operations and (ii) performance of desktop due diligence on the contracting parties.
- (b) Inadequate legal and financial due diligence conducted on relevant parties prior to diversifying into the BOP business. Although the management considered the investment value of S\$400 as not being substantial, Deloitte is of the view that this does not warrant dispensation with adequate due diligence as the investment value does not reflect the risks of the new business to be undertaken by the Group and the legal risk and contractual obligations associated with the business.
- (c) Lack of management control and supervision over the BOP business and inadequate control over bank accounts.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 31 INDEPENDENT REVIEW REPORT (CONTINUED)

- (d) Lack of internal policies and procedures governing the BOP business, such as the onboarding of new BOP outlets, the monitoring of the operations of these outlets and the performing of customer credit assessments.
- (e) Inaccuracies in the Company's exchange filings relating to the BOP business, including inaccurate representation on the terms of the master service agreement. The Company announced that the securing of 200 outlets was on a best effort basis, which was not factual given that Henan Jufel Technology Group Co., Ltd. was required under the master service agreement to assign and secure at least 200 outlets.

Arising from the above findings, Deloitte highlighted potential disclosure breaches and lapses in internal controls. Deloitte also noted potential breaches of directors' fiduciary duties under Section 156 and 157 of the Companies Act. Singapore Exchange Regulation (SGX RegCo) will look into any potential listing rule breaches and refer the potential contravention of the Companies Act to the relevant authorities. Where investigations indicate any breaches of the listing rules, SGX RegCo will proceed to take disciplinary actions against the culpable parties.

To address the findings including the recommendations made in the Report, the Company will engage its internal auditor, BDO LLP, to review its existing standards operating procedures ("**SOPs**") relating to investments and acquisitions of companies and businesses and to provide recommendations on the implementation of such SOP. If necessary, the Company may also engage other external professionals to assist in strengthening and implementing existing or new SOP. Management will continue to monitor and ensure compliance with such SOP as part of the Group's operations including but not limited to its investments and/or onboarding of franchisee processes and report and explain to the Audit and Risk Committee deviations, if any, from SOP.

## 32 ASSISTANCE WITH INVESTIGATION

As set out in the Company's announcement dated 6 October 2021, the Company has received a letter dated 5 October 2021 from the Commercial Affairs Department ("**CAD**") and the Monetary Authority of Singapore ("**MAS**") pursuant to Section 20 of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition) and Section 64 of the Police Force Act (Chapter 235) requiring the Company to provide certain information and documents in relation to an investigation into an offence under the Securities and Futures Act (Chapter 289) ("**Investigation**"). Mr. Pang Pok, the Company's Executive Director and Chief Executive Officer also attended an interview with CAD to assist in the Investigation.

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.

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.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33 SUBSEQUENT EVENTS

### Termination of Joint Venture ("JV") Agreement

Further to the disclosure in Note 13(c), HKW and the JV Partner have mutually decided to terminate the JV Agreement due to commercial reasons, particularly the poor performance of the JV Company. Accordingly, HKW has, on 17 March 2023, entered into a Joint Venture Termination Term Sheet (the "**Termination Agreement**") with the JV Partner (the "**Termination**").

Pursuant to the terms of the JVA, the issued and paid-up share capital of the JV Company was increased to S\$100,000 comprising 100,000 ordinary shares and is currently held by HKW and the JV Partner in equal shareholding proportion.

Immediately following the Termination, the JV Partner shall procure the resignation of the director in the JV Company appointed by the JV Partner and transfer all 50,000 ordinary shares (the "**Sale Shares**") held by the JV Partner in the JV Company to HKW for a cash consideration of S\$21,223 (the "**Proposed Acquisition**"), in accordance with the Termination Agreement. Following the completion of the Proposed Acquisition, the JV Company will become a wholly owned subsidiary of HKW and will be managed entirely by the management of HKW.

At the date of these financial statements, the Proposed Acquisition has been completed.

## 34 DISCLAIMER OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The independent auditor's report dated 30 June 2022 contains a disclaimer of opinion on the financial statements for the financial year ended 31 December 2021. Below is the extract of the basis for disclaimer opinion.

### *Basis for Disclaimer of Opinion*

#### 3 Opening Balances

*The financial statements for the financial year ended 31 December 2020 were audited by another firm of auditors who expressed a disclaimer opinion on those financial statements in their report dated 14 July 2021. The basis of disclaimer of opinion on the financial statements for the financial year ended 31 December 2020 is disclosed in Note 37 to the financial statements.*

*In view of the matters described in the basis of disclaimer of opinion paragraphs on the financial statements for the financial year ended 31 December 2020, we were unable to determine whether the opening balances as at 1 January 2021 are fairly stated.*

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34 DISCLAIMER OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

### *Basis for Disclaimer of Opinion (Continued)*

*Since the opening balances as at 1 January 2021 are entered into the determination of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 31 December 2021, we were unable to determine whether adjustments, if any, might have been found to be necessary in respect of the consolidated financial statements of the Group for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.*

*Our opinion on the current financial year's consolidated financial statements of the Group and the statement of financial position of the Company is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.*

### 4 Reclassification and Recoverability of Amount Due from Mr Zhang

*As set out in Note 17(b) to the financial statements, included in the Group's other receivables is an amount of RMB100,000,000 (equivalent to S\$21,210,000) as at 31 December 2021 which is receivable from Mr Zhang Rongxuan ("**Mr. Zhang**"), the Company's non-independent and non-executive Chairman and Director.*

*As disclosed in Note 17(b) to the financial statements, the amount of RMB100,000,000 was previously recorded as cash and bank balances but was reclassified to other receivables as amount due from Mr. Zhang at the reporting date. However, we were unable to carry out our audit procedures to obtain sufficient appropriate audit evidence as to the appropriateness of this reclassification. We were also unable to ascertain the recoverability of the aforesaid amount due from Mr Zhang. Consequently, we were unable to determine whether any adjustments to the amount due from Mr Zhang of RMB100,000,000 (equivalent to S\$21,210,000) as at 31 December 2021 were necessary.*

### 5 Existence and Quantum of Bank Balance Held in the People's Republic of China ("**PRC**")

*As disclosed in Note 18(a) to the financial statements, the Group is unable to ascertain the bank balance amount of RMB20,451,000 (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. We are also unable to arrange for bank confirmation for the aforesaid bank balance amount. Consequently, we were unable to carry out our audit procedures to obtain sufficient appropriate audit evidence to ascertain the existence and the quantum of the bank balance amount of RMB20,451,000 (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.*

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34 DISCLAIMER OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

*Basis for Disclaimer of Opinion (Continued)*

### 6 Impairment Assessment of Property, Plant and Equipment and Intangible Assets

As set out in Notes 12 and 13 to the financial statements, the Group has property, plant and equipment of S\$1,901,000 (including right-of-use assets of S\$1,725,000) and intangible assets of S\$4,689,000 (including goodwill of S\$4,373,000) (collectively the **"Non-financial Assets"**) as at 31 December 2021, which are attributable to the food and beverages segment. As disclosed in Notes 12 and 13 to the financial statements, management has estimated the recoverable amount of these Non-financial Assets based on value-in-use calculations and assessed that no allowance for impairment loss is necessary.

However, we were unable to obtain sufficient appropriate audit evidence with respect to the cash flow projections used and the key estimates and assumptions applied in the value-in-use calculations to arrive at the recoverable amount of the Non-financial Assets. Consequently, we were unable to determine whether any impairment of the property, plant and equipment and intangible assets of S\$1,901,000 and S\$4,689,000, respectively, as at 31 December 2021 was necessary.

### 7 Impairment Assessment of Investments in Subsidiaries and Amounts Due from Subsidiaries

As set out in Notes 14 and 17 to the financial statements, the Company has investments in subsidiaries of S\$9,112,000 and amounts due from subsidiaries of S\$2,272,000 (net of allowance for impairment loss of S\$304,000) as at 31 December 2021. As disclosed in Note 14 to the financial statements, management has estimated the recoverable amount of the investments in subsidiaries based on value-in-use calculations and assessed that no allowance for impairment loss is necessary. As disclosed in Note 17 to the financial statements, management has assessed the amounts due from subsidiaries to have low credit risk and no further allowance for impairment loss is necessary.

However, we were unable to obtain sufficient appropriate audit evidence with respect to the cash flow projections used and the key estimates and assumptions applied in the value-in-use calculations to arrive at the recoverable amount of the investments in subsidiaries. Consequently, we were unable to determine whether any impairment of the investments in subsidiaries of S\$9,112,000 as at 31 December 2021 was necessary.

We were also unable to obtain sufficient appropriate audit evidence to support management's assessment on the recoverability of the amounts due from subsidiaries. Consequently, we were unable to determine whether any further impairment of the amounts due from subsidiaries of S\$2,272,000 as at 31 December 2021 was necessary.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34 DISCLAIMER OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

*Basis for Disclaimer of Opinion (Continued)*

### 8 Independent Review

As disclosed in Note 33 to the financial statements, the Company has engaged an independent party (the "**Independent Reviewer**") to carry out an independent review of the Group's branding, operations and procurement ("**BOP**") business (the "**Independent Review**") in view of the disclaimer of opinion issued by the independent auditors on the audited financial statements for the financial year ended 31 December 2020 and the various issues noted since the Group's diversification into the BOP business. The Independent Review is ongoing as at the date of our report.

Accordingly, we are unable to determine 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.

### 9 Going Concern Assumption

We draw attention to Note 2(a) to the financial statements which indicates that for the financial year ended 31 December 2021, the Group reported a net loss of S\$10,420,000 and a total comprehensive loss of S\$9,383,000 and the Group has net cash used in operating activities of S\$404,000. Notwithstanding this, 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. 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.

However, due to the uncertainties surrounding the outcome of matters highlighted in paragraphs 3 to 8 above which may require further adjustments to the financial statements, we were unable to conclude on the appropriateness of the going concern assumption used in the preparation of the financial statements.



# NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## **34 DISCLAIMER OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

### *Basis for Disclaimer of Opinion (Continued)*

*In the event the Group is unable to continue as a going concern, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may 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 recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities where applicable as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.*

# SHAREHOLDERS' STATISTICS

AS AT 23 MAY 2023

**CLASS OF SHARES**

Ordinary Shares

**NUMBER OF SHARES**

188,993,260

**NUMBER OF ORDINARY SHAREHOLDERS**

The number of ordinary shareholders as at 23 May 2023 is 287.

**VOTING RIGHTS**

1 vote for each Ordinary Share held

**TREASURY SHARES**

Nil

**SUBSIDIARY HOLDINGS**

Nil

**SHAREHOLDINGS HELD IN HANDS OF PUBLIC**

Based on information provided and to the best knowledge of the Directors, approximately 42.68% of the total number of issued shares (excluding treasury shares) in the capital of the Company are held in the hands of the public as at 23 May 2023. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist has therefore been complied with.

**DISTRIBUTION OF SHAREHOLDINGS AS AT 23 MAY 2023****DISTRIBUTION OF SHAREHOLDERS**

<b>SIZE OF SHAREHOLDINGS</b>	<b>NO. OF SHAREHOLDERS</b>	<b>%</b>	<b>NO. OF SHARES</b>	<b>%</b>
1 - 99	1	0.35	50	0.00
100 - 1,000	36	12.54	29,500	0.02
1,001 - 10,000	73	25.44	450,800	0.24
10,001 - 1,000,000	160	55.75	25,651,850	13.57
1,000,001 AND ABOVE	17	5.92	162,861,060	86.17
<b>TOTAL</b>	<b>287</b>	<b>100</b>	<b>188,993,260</b>	<b>100</b>

# SHAREHOLDERS' STATISTICS

AS AT 23 MAY 2023

## SUBSTANTIAL SHAREHOLDERS AS AT 23 MAY 2023

Substantial Shareholder	Shareholdings registered in the name of the substantial shareholder	Shareholdings	Total	Percentage of Issued Shares
		in which the substantial shareholder are deemed to be interested		
Pang Pok <sup>(1)</sup>	16,079,705	55,660,000	71,739,705	37.96
Ang Siew Kiock <sup>(2)</sup>	5,000,000	66,739,705	71,739,705	37.96
Marvel Earn Limited	18,655,555	0	18,655,555	9.87
Zhang Liying <sup>(3)</sup>	0	18,655,555	18,655,555	9.87
In Nany Sing Charlie <sup>(4)(5)</sup>	4,456,700	19,185,955	23,642,655	12.51
Raffles Financial Pte. Ltd. <sup>(4)</sup>	0	18,655,555	18,655,555	9.87
Raffles Financial Group Limited <sup>(4)</sup>	0	18,655,555	18,655,555	9.87
Liu Changsheng <sup>(4)</sup>	0	18,655,555	18,655,555	9.87

### Notes:

- (1) Mr. Pang Pok holds 16,079,705 Shares directly and is deemed interested in 50,660,000 Shares held through DBS Nominees (Private) Limited and 5,000,000 Shares held by his wife, Ms. Ang Siew Kiock.
- (2) Ms. Ang Siew Kiock holds 5,000,000 Shares directly and is deemed to be interested in the 66,739,705 Shares held directly and indirectly by her spouse, Mr. Pang Pok.
- (3) Pursuant to an instrument of transfer dated 1 October 2021, Raffles Financial Pte. Ltd. transferred 100% shares in the issued share capital of Marvel Earn Limited held by Raffles Financial Pte. Ltd. to Ms. Zhang Liying. Accordingly, Ms. Zhang Liying has become the sole shareholder of Marvel Earn Limited. By virtue of sections 4(4) and 4(5) of the Securities and Futures Act 2001 (the "SFA"), Ms. Zhang Liying is deemed to be interested in the 18,655,555 Shares held by Marvel Earn Limited.
- (4) Pursuant to a directors' resolution in writing dated 1 April 2021, Marvel Earn Limited declared an interim dividend of S\$8,954,667 to its sole shareholder, Raffles Financial Pte. Ltd., to be paid by way of a transfer of the 18,655,555 Shares held by Marvel Earn Limited to Raffles Financial Pte. Ltd. Raffles Financial Group Limited is the sole shareholder of Raffles Financial Pte. Ltd. The interim dividend *in specie* declared by Marvel Earn Limited has not been completed as of 23 May 2023. By virtue of sections 4(4) and 4(5) of the SFA, Raffles Financial Group Limited is deemed to be interested in 18,655,555 Shares held by Marvel Earn Limited. Mr. Liu Changsheng and Dr. In Nany Sing Charlie are shareholders of Raffles Financial Group Limited, each holding 31.9% of the shares in Raffles Financial Group Limited. Accordingly, by virtue of section 4(4) and 4(5) of the SFA, each of Mr. Liu Changsheng and Dr. In Nany Sing Charlie is deemed to be interested in 18,655,555 Shares held by Marvel Earn Limited, which Raffles Financial Pte. Ltd. and Raffles Financial Group Limited are deemed to be interested in.
- (5) Dr. In Nany Sing Charlie is deemed to be interested in the 530,400 shares held through Maybank Kim Eng Securities Pte. Ltd. and 18,655,555 Shares held by Marvel Earn Limited.

# SHAREHOLDERS' STATISTICS

AS AT 23 MAY 2023

## TOP 20 SHAREHOLDERS AS AT 23 MAY 2023

<b>NO.</b>	<b>NAME</b>	<b>NO. OF SHARES</b>	<b>%</b>
1	DBS NOMINEES (PRIVATE) LIMITED	51,107,000	27.04
2	IFAST FINANCIAL PTE. LTD.	22,671,000	12.00
3	MARVEL EARN LIMITED	18,655,555	9.87
4	PANG POK	16,079,705	8.51
5	PANG JIE LONG	9,000,000	4.76
6	LOW CHIN YEW	7,891,900	4.18
7	CHEW KEA KOON	5,643,000	2.99
8	ANG SIEW KIOCK	5,000,000	2.65
9	IN NANY SING CHARLIE	4,456,700	2.36
10	KEK YEW LENG @KEK BOON LEONG	3,786,300	2.00
11	PANG LIM	3,615,600	1.91
12	TAN POK MIN	3,600,000	1.90
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,079,300	1.63
14	ZHONG BIHUA	3,000,000	1.59
15	KOH KIM SENG	2,840,000	1.50
16	AU SWEE LING	1,295,000	0.69
17	MAYBANK SECURITIES PTE. LTD.	1,140,000	0.60
18	CHEW KOK CHIANG (ZHOU GUOJIANG)	998,500	0.53
19	LIM HEAN NERNG	894,400	0.47
20	CHONG PAW LONG	889,300	0.47
	<b>TOTAL</b>	<b>165,643,260</b>	<b>87.65</b>

# NOTICE OF ANNUAL GENERAL MEETING

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

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be convened and held by way of live webcast on Wednesday, 28 June 2023 at 1.30 p.m. to transact the following businesses:

### AS ORDINARY BUSINESS

- |    |   |                     |
|----|---|---------------------|
| 1. | To receive and adopt the Directors’ Statements and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Auditors’ Report therein. | <b>Resolution 1</b> |
| 2. | To re-elect Mr. Pang Pok as Director who is retiring pursuant to Article 113 of the Company’s Articles of Association.<br><br>[See Explanatory Note (i)]                      | <b>Resolution 2</b> |
| 3. | To note the retirement of Mr. Chong Eng Wee as Director pursuant to Article 113 of the Company’s Articles of Association.<br><br>[See Explanatory Note (ii)]                  |                     |
| 4. | To re-elect Mr. Lim Chee San as Director pursuant to Article 117 of the Company’s Articles of Association.<br><br>[See Explanatory Note (iii)]                                | <b>Resolution 3</b> |
| 5. | To approve the payment of directors’ fees of S\$178,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears (FY2022: S\$178,000).                 | <b>Resolution 4</b> |
| 6. | To note that Messrs Moore Stephens LLP will not be seeking re-appointment as Auditors of the Company at this Annual General meeting.<br><br>[See Explanatory Note (iv)]       |                     |

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:-

- |    |   |                     |
|----|---|---------------------|
| 7. | <b>ORDINARY RESOLUTION - AUTHORITY TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES</b> | <b>Resolution 5</b> |
|----|---|---------------------|

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Section B: Rules of Catalist (the “**Catalist Rules**”) and Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements, or options (collectively, the "**Instruments**") that might or would require Shares to be issued or other transferable rights to subscribe for or purchase shares, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue:
  - (i) additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and
  - (ii) Shares in pursuance of any Instruments made or granted by the directors while this Resolution was in force or such additional Instruments in (b)(i) above,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed;
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-
  - (a) new Shares arising from the conversion or exercise of convertible securities;

# NOTICE OF ANNUAL GENERAL MEETING

- (b) new Shares arising from the exercising of share options or vesting of share awards outstanding and/or subsisting at the time this Resolution is passed; provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution for the time being of the Company; and
- (4) (unless previously revoked or varied by the Company in general meeting) such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (v)]

## 8. **ORDINARY RESOLUTION - AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE GS HOLDINGS EMPLOYEE SHARE OPTION SCHEME** **Resolution 6**

“That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to:

- (i) offer and grant options (the “**Options**”) from time to time in accordance with the provisions of the GS Holdings Employee Share Option Scheme (the “**GS Holdings ESOS**”); and
- (ii) allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the GS Holdings ESOS,

provided always that the aggregate number of Shares to be issued and issuable pursuant to the GS Holdings ESOS, GS Holdings PSP and any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), on the day immediately preceding the date on which an offer to grant an Option is made and that the grant of Options can be made at any time and from time to time.”

[See Explanatory Note (vi)]

# NOTICE OF ANNUAL GENERAL MEETING

## 9. ORDINARY RESOLUTION - AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE GS HOLDINGS PERFORMANCE SHARE PLAN Resolution 7

"That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

- (i) offer and grant awards (the "**Awards**") from time to time in accordance with the provisions of the GS Holdings Performance Share Plan (the "**GS Holdings PSP**"); and
- (ii) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of Awards granted under the GS Holdings PSP,

provided always that the aggregate number of Shares to be issued and issuable pursuant to the GS Holdings ESOS, GS Holdings PSP and any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) on the day immediately preceding the date on which an Award is granted."

[See Explanatory Note (vii)]

### Any Other Business

- 10. To transact any other business which may properly be transacted at an annual general meeting.

On Behalf of the Board

Pang Pok  
Chief Executive Officer and Executive Director

13 June 2023



# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Mr. Pang Pok will, upon re-election as Director of the Company, remain as the Chief Executive Officer and Executive Director of the Company. Detailed information on Mr. Pang Pok is found under the **"Board of Directors"** and **"Disclosure of Information on Directors Seeking Re-Election"** sections in the Company's Annual Report.
- (ii) Mr. Chong Eng Wee will not be seeking re-election and will retire as an Independent Director of the Company at the close of the Annual General Meeting. Mr. Chong Eng Wee will step down from his position as the Lead Independent Director of the Company, Chairman of the Nominating Committee, and member of the Audit and Risk Committee and Remuneration Committee. In view of the retirement of Mr. Chong Eng Wee, the number of members in each of the ARC, RC and NC will fall below the minimum number of three. The Company shall endeavour to fill the vacancy within two (2) months but in any event not later than three (3) months.
- (iii) Mr. Lim Chee San will, upon re-appointment as Director of the Company, remain as an Independent Director of the Company, Chairman of the Remuneration Committee, and member of the Audit and Risk Committee and Nominating Committee. Mr. Lim Chee San will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr. Lim Chee San is found under the **"Board of Directors"** and **"Disclosure of Information on Directors Seeking Re-Election"** sections in the Company's Annual Report.
- (iv) The auditors of the Company, Messrs Moore Stephens LLP, have expressed their intention not to seek re-appointment at this Annual General Meeting. The Board of the Company, in consultation with the Audit and Risk Committee, will be taking necessary steps to appoint another firm of auditors to act as the auditors of the Company, in place of Messrs Moore Stephens LLP. In line with Catalist Rule 712(3), the Company will seek shareholders' approval for the appointment of the incoming auditors of the Company at an Extraordinary General Meeting ("**EGM**") of the Company to be held in due course, in any case, not more than 3 months after the date of this AGM, in accordance with the relevant Catalist Rules and provisions of the Companies Act 1967 of Singapore. The Company will make further announcement(s) in due course.
- (v) Resolution 5, if passed, will empower the Directors from the date of this annual general meeting until the date of the next annual general meeting or the date by which the next general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The aggregate number of share (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company, of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company.
- (vi) Resolution 6, if passed, will empower the Directors of the Company, to offer and grant options under the GS Holdings ESOS and to allot and issue shares pursuant to the exercise of such options under the GS Holdings ESOS, provided that the aggregate number of Shares to be issued and issuable pursuant to the GS Holdings ESOS, GS Holdings PSP and any other share based incentive schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.
- (vii) Resolution 7, if passed, will empower the Directors of the Company, to allot and issue Shares pursuant to the vesting of Awards under the GS Holdings PSP, provided that the aggregate number of Shares to be issued and issuable pursuant to the GS Holdings ESOS, GS Holdings PSP and any other share based incentive schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

## IMPORTANT:

### HOLDING OF THE ANNUAL GENERAL MEETING THROUGH ELECTRONIC MEANS

#### 1. Participation in the AGM via live webcast

The AGM is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by shareholders.

The following steps are taken to allow shareholders to participate in the AGM:

- (a) the Company will provide for the AGM to be shown by live webcast ("**Live Webcast**"), by way of (i) audio and video feed, or (ii) audio feed only, as shareholders may elect at their discretion;
- (b) all shareholders, including investors who hold shares through Relevant Intermediaries (as defined below) ("**Investors**") (including Supplementary Retirement Scheme ("**SRS**") (collectively, the "**SRS investors**")), who wish to participate in the AGM via Live Webcast must register their details on the Company's pre-registration website at <https://globalmeeting.bigbangdesign.co/gsholdings2023/> by 1.30 p.m. on Monday, 26 June 2023 ("**Registration Deadline**") for the Company to verify their status as shareholders. In particular, members who hold shares through Relevant Intermediaries (as defined below) and SRS Investors should refer to paragraph 4 below for more details on how to participate in the AGM;

# NOTICE OF ANNUAL GENERAL MEETING

- (c) corporate shareholders must also submit a copy of the Corporate Representative Certificate to the Company at [info@gsholdings.com.sg](mailto:info@gsholdings.com.sg), in addition to the registration procedures as set out in paragraph (b) above, by the Registration Deadline, for verification purpose;
- (d) verified shareholders will receive an email by 1.30 p.m. on Tuesday, 27 June 2023 containing instructions to access the Live Webcast. Shareholders must not forward the link or their log-in details to third persons who are not shareholders and who are not entitled to attend the AGM proceedings;
- (e) shareholders who do not receive an email by 1.30 p.m. on Tuesday, 27 June 2023 but have registered by the Registration Deadline should email to: [info@gsholdings.com.sg](mailto:info@gsholdings.com.sg) for assistance, with the following details included: (i) shareholder's full name; (ii) NRIC/FIN/Passport no. (if the shareholder is an individual) or the Company Registration No. (if the shareholder is a corporation); and (iii) manner in which the shares are held (e.g. via Central Depository/scrip/SRS), for verification purposes;
- (f) shareholders, whose shares are not held under SRS and are registered under Depository Agents ("DAs"), must also contact their respective DAs to indicate their interest in order for their DAs to make the necessary arrangements for them to participate in the Live Webcast.

## 2. Shareholders' Questions and Answers

Shareholders and duly appointed proxy or proxies will be able to ask questions relating to the resolutions to be tabled for approval at the AGM. The Company will endeavour to respond to and address substantial and relevant questions as far as reasonably practicable during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Alternatively, shareholders who have any questions in relation to any agenda item of this notice, can submit their queries to the Company in advance, by 1.30 p.m. on Wednesday, 21 June 2023, via email to [info@gsholdings.com.sg](mailto:info@gsholdings.com.sg), or if submitted by post, at the registered office of the Company at 680 Upper Thomson Road, #02-01, Singapore 787103. Shareholders who submit questions in advance of the AGM should identify themselves by stating his/her/its full name as it appears on his/her/its CDP/SRS share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its shares in the Company (e.g. via CDP and/or SRS) for verification purposes. The Company will respond to substantial and relevant queries (as may be determined by the Company in its sole discretion) from shareholders submitted in advance through publication on SGXNET no later than 48 hours before the deadline for the submission of the proxy forms. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters.

## 3. Live voting and voting by proxy

Shareholders may cast their votes for each resolution at the AGM or appoint the Chairman of the AGM (or any person other than the Chairman) as their proxy or proxies to vote on their behalf at the AGM. If a Shareholder wishes to appoint the Chairman of the AGM (or any person other than the Chairman) as proxy to vote on their behalf at the AGM, duly executed proxy forms must be submitted in hard copy or electronically via email:

- (a) If submitted by post, to be deposited at the registered office of the Company at 680 Upper Thomson Road #02-01 Singapore 787103; or
- (b) If submitted electronically, be submitted via email to the Company, at [info@gsholdings.com.sg](mailto:info@gsholdings.com.sg).

In either case, **not less than forty-eight (48) hours before the time appointed for the holding of the AGM** and/or any adjournment thereof. A Shareholder who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above.

**Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

If no specific direction as to voting is given, (i) the \*proxy/proxies (except for the Chairman of the AGM) will vote or abstain from voting at \*his/her/their discretion on any matter arising at the AGM and at any adjournment thereof; or (ii) the appointment of Chairman of the AGM as proxy for the resolution will be treated as invalid at the AGM and at any adjournment thereof. A proxy need not be a member of the Company.

The accompanying proxy form to this Notice of AGM may be accessed from the SGX website at [www.sgx.com](http://www.sgx.com).

The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

# NOTICE OF ANNUAL GENERAL MEETING

## 4. **Members holding shares through a Relevant Intermediary**

Members who hold shares through Relevant Intermediaries (as defined below), including SRS Investors, and who wish to participate in the AGM by (a) observing the AGM proceedings through Live Webcast, (b) submitting questions in advance of (or live at) the AGM, and (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the Relevant Intermediary through which they hold such shares as soon as possible to make the necessary arrangements. SRS Investors who wish to appoint the Chairman of the AGM as their proxy should approach their respective SRS operators to submit their votes by Monday, 19 June 2023 at 1.30 p.m. at least seven (7) working days before the AGM.

A **"Relevant Intermediary"** is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

## **FY2022 ANNUAL REPORT**

The FY2022 Annual Report of the Company, this Notice of AGM and the proxy form has been uploaded on the SGX website on 13 June 2023 at the URL: <https://www.sgx.com>. Printed copies of the FY2022 Annual Report, this Notice of AGM and the proxy form will not be despatched to members. Members are advised to check the SGX website and/or the Company's corporate website regularly for updates.

## **PERSONAL DATA PRIVACY**

**"Personal data"** in this Notice has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore, which includes your name, address and NRIC/Passport number. By submitting (a) details for the registration to observe or participate in the proceeding of the AGM, or (b) an instrument appointing the Chairman of the AGM or any person other than the Chairman as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (c) any questions prior to the AGM in accordance with this Notice of AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the AGM or any person other than the Chairman, processing the registration for purpose of granting access to members or their appointed proxies to observe and participate in the proceedings of the AGM, addressing relevant and substantial questions from members received before the AGM and if necessary, following-up with the relevant members in relation to such questions, and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings at the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

# GS HOLDINGS LIMITED

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

## ANNUAL GENERAL MEETING

### PROXY FORM

#### IMPORTANT

- The Annual General Meeting ("AGM" or "Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Notice of AGM dated 13 June 2023 which has been uploaded on SGXNet and the Company's website on the same day.
- A shareholder will not be able to attend the AGM in person. Shareholders (except a Relevant Intermediary (as defined below)) may cast their votes for each resolution live at the AGM. Alternatively, if a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may appoint the Chairman of the Meeting (or any person other than the Chairman) as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
- SRS Investors may attend and vote at the AGM if they are appointed as proxies by their respective SRS Operators and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies. For SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective SRS Operators to submit their votes at least seven (7) working days before the AGM.
- By submitting this proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 June 2023.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a shareholder's proxy to vote on his/her/its behalf at the AGM.

I/We\* \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./Company Registration No.)  
of \_\_\_\_\_ (Address) being  
a member/members of **GS HOLDINGS LIMITED** (the "Company") hereby appoint:

Name	NRIC/Passport No.	Email Address	No. of Shares	Proportion of Shareholding (%)

\*and/or (delete as appropriate)

Name	NRIC/Passport No.	Email Address	No. of Shares	Proportion of Shareholding (%)

^Appointed proxy(ies) must pre-register at the pre-registration website which is accessible from the URL <https://globalmeeting.bigbangdesign.co/gsholdings2023/> in order to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings.

OR if no person is named, the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM to be held by way of electronic means via live webcast on Wednesday 28 June 2023 at 1.30 p.m. and/or at any adjournment thereof.

I/We\* direct my/our proxy/proxies\* to vote for, against or to abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. **If no specific direction as to voting is given, (i) the proxy/proxies\* (except for the Chairman of the Meeting) will vote or abstain from voting at his/her/their\* discretion, as he/she/they\* will on any other matter arising at the AGM and at any adjournment thereof; or (ii) the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid at the AGM and at any adjournment thereof.**

(Please indicate your vote "For", "Against" or "Abstain" with an "X" within the boxes provided below. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

No.	Resolutions Relating To:	For	Against	Abstain
1	Adoption of the Directors' Statements and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Auditors' Report therein			
2	Re-election of Mr. Pang Pok as a Director of the Company			
3	Re-election of Mr. Lim Chee San as a Director of the Company			
4	Approval of directors' fees of S\$178,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears			
5	Authority to allot and issue shares and convertible securities pursuant to Section 161 of the Companies Act 1967 of Singapore			
6	Authority to grant options and issue shares under the GS Holdings Employees' Share Option Scheme			
7	Authority to allot and issue shares under the GS Holdings Performance Share Plan			

\* Delete whichever not applicable.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total number of Shares	No. of Shares
(a) Depository Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) and/or  
Common Seal of Corporate Member

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



## NOTES:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the shares held by you.
2. A shareholder who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Meeting. Where such shareholder's proxy form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid. A shareholder who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder's proxy form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. This proxy form, duly executed, must be submitted in hard copy form or electronically via email:
  - (a) If submitted by post, to be deposited at the registered office of the Company at 680 Upper Thomson Road #02-01 Singapore 787103; or
  - (b) If submitted electronically, be submitted via email to the Company, at [info@gsholdings.com.sg](mailto:info@gsholdings.com.sg).

In either case, **not less than forty-eight (48) hours before the time appointed for the holding of the AGM and/or any adjournment thereof.**

A Shareholder who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above.

**Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.**

4. The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. Persons who hold shares through Relevant Intermediaries (as defined below), including SRS investors, and who wish to participate in the AGM ("**Relevant Intermediary Participants**") by appointing the Chairman of the AGM as proxy to attend speak and vote on their behalf at the AGM, should contact the Relevant Intermediary (which would include, in the case of SRS investors, their respective SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM. SRS investors who wish to appoint the Chairman of the AGM as their proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the AGM.

A "**Relevant Intermediary**" is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

## PERSONAL DATA PRIVACY

By submitting this proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 June 2023.

## GENERAL

The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form (such as in the case where the appointor submits more than one proxy form). In addition, in the case of shares entered in the Depository Register, the Company may reject any proxy form(s) lodged if the shareholder being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.





**GS HOLDINGS LIMITED**

(Incorporated in Singapore on 19 September 2014)

(Company Registration Number: 201427862D)

680 Upper Thomson Road #02-01 Singapore 787103

[www.gsholdings.com.sg](http://www.gsholdings.com.sg)