



GSH CORPORATION LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		The Group		
		1st Half Ended		
	Note	30.6.2021	30.6.2020	+/-
		Unaudited S\$'000	Unaudited S\$'000	%
Revenue	4	39,749	65,787	(40%)
Cost of Sales		(37,734)	(47,525)	(21%)
Gross profit		2,015	18,262	(89%)
Other net income		1,405	1,843	(24%)
Selling and marketing expenses		(692)	(1,279)	(46%)
Administrative expenses		(7,366)	(9,961)	(26%)
Other expenses		(2)	(1,854)	(100%)
Results from operating activities		(4,640)	7,011	Nm
Finance income		388	1,920	(80%)
Finance expenses		(9,772)	(9,293)	5%
Net finance costs	8	(9,384)	(7,373)	27%
Loss before tax	6	(14,024)	(362)	>100%
Tax expense	7	1,650	(394)	Nm
Loss for the period		(12,374)	(756)	>100%
(Loss)/ Profit attributable to:				
Owners of the Company		(10,113)	395	Nm
Non-controlling interests		(2,261)	(1,151)	96%
Loss for the period		(12,374)	(756)	>100%
Other comprehensive income ("OCI"), net of tax				
Item that will not be reclassified to profit or loss:				
Equity investments at fair value through OCI				
-net change in fair value		-	(5,006)	(100%)
Item that are or may be reclassified subsequently to profit or loss:				
Debt investments at fair value through OCI				
- net change in fair value		138	(289)	Nm
- gain/ (loss) on derecognition reclassified to profit or loss		(783)	1,851	Nm
Exchange differences on monetary items forming part of net investments in a foreign operation		(2,616)	(2,201)	19%
Foreign currency translation differences relating to foreign operations		(475)	(1,666)	(71%)
Other comprehensive income, net of tax		(3,736)	(7,311)	(49%)
Total comprehensive income for the period		(16,110)	(8,067)	100%
Total comprehensive income attributable to				
Owners of the Company		(14,497)	(6,853)	112%
Non-controlling interests		(1,613)	(1,214)	33%
Total comprehensive income for the period		(16,110)	(8,067)	100%

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		30.6.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000	30.6.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
ASSETS					
Property, plant and equipment	9	416,637	426,089	27,908	28,163
Investment property	10	4,540	4,472	-	-
Subsidiaries		-	-	56,825	28,291
Deferred tax assets		1,117	1,110	847	847
Other investments	11	-	15,739	-	15,739
Non-current assets		422,294	447,410	85,580	73,040
Development properties	12	509,196	412,603	-	-
Contract costs		11,565	14,690	-	-
Contract assets		18,596	21,254	-	-
Inventories	13	14,010	8,819	-	-
Trade and other receivables	14	37,843	69,357	546	1,087
Amounts due from related parties		665	567	519,990	558,807
Tax receivables		2,358	879	-	-
Time deposits		2,131	2,548	-	-
Cash and cash equivalents		54,560	81,666	2,494	997
Current assets		650,924	612,383	523,030	560,891
Total assets		1,073,218	1,059,793	608,610	633,931
EQUITY					
Share capital	15	343,458	343,458	343,458	343,458
Treasury shares		(5,580)	(5,580)	(5,580)	(5,580)
Reserves		(36,735)	(32,351)	-	645
Accumulated profits/ (losses)		56,520	66,633	(10,116)	(3,881)
Equity attributable to equity holders of the Company		357,663	372,160	327,762	334,642
Non-controlling interests		139,524	114,548	-	-
Total equity		497,187	486,708	327,762	334,642
LIABILITIES					
Trade and other payables	16	403	399	-	-
Contract liabilities		1,227	1,243	-	-
Loans and borrowings	17	344,439	247,552	206,394	107,933
Deferred tax liabilities		44,129	47,242	-	-
Non-current liabilities		390,198	296,436	206,394	107,933
Trade and other payables	16	73,034	73,733	1,660	1,605
Contract liabilities		3,424	3,549	-	-
Amounts due to related parties		37,235	37,703	15,267	44,905
Derivative financial liabilities		-	1,260	-	1,260
Loans and borrowings	17	72,051	160,027	57,467	143,526
Current tax liabilities		89	377	60	60
Current liabilities		185,833	276,649	74,454	191,356
Total liabilities		576,031	573,085	280,848	299,289
Total equity and liabilities		1,073,218	1,059,793	608,610	633,931

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Note	Attributable to owners of Company					Total	Non-controlling interest	Total Equity	
		Share capital	Treasury Shares	Asset		Accumulated profits				
				revaluation reserves	Translation reserves					Fair value reserves
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
As at 1 January 2021		343,458	(5,580)	4,132	(37,128)	645	66,633	372,160	114,548	486,708
Total comprehensive income for the year										
Loss for the period		-	-	-	-	-	(10,113)	(10,113)	(2,261)	(12,374)
Other comprehensive income:										
Foreign currency translation differences relating to foreign operations		-	-	-	(1,123)	-	-	(1,123)	648	(475)
Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	-	(2,616)	-	-	(2,616)	-	(2,616)
Gain on derecognition of debt investment FVOCI reclassified from OCI to profit or loss		-	-	-	-	(783)	-	(783)	-	(783)
Net change in fair value:-										
debt investments at fair value through other comprehensive income		-	-	-	-	138	-	138	-	138
Total other comprehensive income, net of tax		-	-	-	(3,739)	(645)	-	(4,384)	648	(3,736)
Total comprehensive income for the year		-	-	-	(3,739)	(645)	(10,113)	(14,497)	(1,613)	(16,110)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	26,589	26,589
Total changes in ownership interests in a subsidiary		-	-	-	-	-	-	-	26,589	26,589
As at 30 June 2021		343,458	(5,580)	4,132	(40,867)	-	56,520	357,663	139,524	497,187

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)

Group	Attributable to owners of Company						Non-controlling interest	Total Equity	
	Share capital	Treasury Shares	Asset		Fair value	Accumulated profits			Total
			revaluation reserves	Translation reserves					
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
As at 1 January 2020	343,458	(5,131)	4,132	(40,501)	4,820	84,869	391,647	87,669	479,316
Total comprehensive income for the year									
Loss for the period	-	-	-	-	-	395	395	(1,151)	(756)
Other comprehensive income:									
Foreign currency translation differences relating to foreign operations	-	-	-	(1,601)	-	-	(1,601)	(65)	(1,666)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(2,201)	-	-	(2,201)	-	(2,201)
Equity investments at fair value through other comprehensive income – reclassified to retained earnings	-	-	-	-	(795)	795	-	-	-
Debt investments at fair value through other comprehensive income – reclassified to profit or loss	-	-	-	-	1,851	-	1,851	-	1,851
Net change in fair value:-									
equity investments at fair value through other comprehensive income	-	-	-	-	(5,006)	-	(5,006)	-	(5,006)
debt investments at fair value through other comprehensive income	-	-	-	-	(289)	-	(289)	-	(289)
Total other comprehensive income, net of tax	-	-	-	(3,802)	(4,239)	795	(7,246)	(65)	(7,311)
Total comprehensive income for the year	-	-	-	(3,802)	(4,239)	1,190	(6,851)	(1,216)	(8,067)
Changes in ownership interests in subsidiaries									
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	26,859	26,859
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	26,859	26,859
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividend paid						(4,892)	(4,892)	-	(4,892)
Purchase of treasury shares		(449)				-	(449)	-	(449)
Total transactions with owners		(449)				(4,892)	(5,341)		(5,341)
As at 30 June 2020	343,458	(5,580)	4,132	(44,303)	581	81,167	379,455	113,312	492,767

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)

The Company	Note	Share capital S\$'000	Treasury Share S\$'000	Fair value reserves S\$'000	Accumulated (losses)/profit S\$'000	Total S\$'000
2021						
As at 1 January 2021		343,458	(5,580)	645	(3,881)	334,642
Total comprehensive income for the year						
Loss for the period		-	-	-	(6,235)	(6,235)
Other comprehensive income						
Gain on decognition of equity investments FVOCI reclassified from OCI to retained earnings		-	-	(783)	-	(783)
Net change in fair value- debt investments at FVOCI		-	-	138	-	138
Total other comprehensive income, net of tax		-	-	(645)	-	(645)
Total comprehensive income for the year		-	-	(645)	(6,235)	(6,880)
As at 30 June 2021		343,458	(5,580)	-	(10,116)	327,762
Condensed interim statements of changes in equity						
As at 30 June 2020						
2020						
As at 1 January 2020		343,458	(5,131)	4,820	4,645	347,792
Total comprehensive income for the year						
Loss for the period		-	-	-	(7,192)	(7,192)
Other comprehensive income						
Gain on decognition of equity investments FVOCI reclassified from OCI to retained earnings		-	-	(795)	795	-
Loss on decognition of debt investment FVOCI reclassified from OCI to profit or loss		-	-	1,851	-	1,851
Net change in fair value- equity investments at FVOCI		-	-	(5,006)	-	(5,006)
debt investments at FVOCI		-	-	(289)	-	(289)
Total other comprehensive income, net of tax		-	-	(4,239)	795	(3,444)
Total comprehensive income for the year		-	-	(4,239)	(6,397)	(10,636)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Dividend paid	18	-	-	-	(4,892)	(4,892)
Purchase of treasury shares		-	(449)	-	-	(449)
Total contributions by and distributions to owners		-	(449)	-	(4,892)	(5,341)
As at 30 June 2020		343,458	(5,580)	581	(6,644)	331,815

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		The Group	
		1st Half Ended 30 June	
		2021	2020
Notes		Unaudited S\$'000	Unaudited S\$'000
Cash flows from operating activities			
	Loss for the period	(12,374)	(756)
	Adjustment for:		
	Depreciation of property, plant & equipment	5,741	5,168
	Interest expense	8,697	9,955
	Interest income	(388)	(680)
	Reversal of allowance for inventory obsolescence	(1)	(1)
	Loss on disposal of property, plant & equipment	-	3
	Provision of impairment loss on trade receivables	25	14
	Write-down of inventories	1,669	-
	Net foreign exchange gain loss arising from revaluation of fixed deposit pledged	-	48
	Debt investments at fair value through other comprehensive income – (Gain)/ Loss on derecognition reclassified from OCI	(783)	1,851
	Dividend income	-	(1,240)
	Net change in fair value of financial derivatives	(1,260)	443
	Tax (credit)/ expenses	(1,650)	394
	Operating cashflows before working capital changes	(324)	15,199
	Change in		
	Development properties	(66,588)	(56,277)
	Contract costs	3,125	10,097
	Contracts assets/liabilities, net	2,517	(3,393)
	Inventories	(6,859)	(10,704)
	Trade and other receivables	(1,178)	1,909
	Trade and other payables	1,054	6,747
	Cash used in operations	(68,254)	(36,422)
	Tax paid, net	(2,013)	(442)
	Net cash used in operating activities	(70,267)	(36,864)
Cash flows from investing activities			
	Acquisition of property, plant and equipment	(3,215)	(3,074)
	Acquisition of other investments	-	(16,615)
	Proceeds from disposal of other investments	15,955	83,249
	(Increase)/ decrease in deposits pledged	(1,291)	2,232
	Uplift of bank deposits	417	2,985
	Interest received	486	671
	Dividend received	-	1,240
	Net cash from investing activities	12,352	70,688
Cash flows from financing activities			
	Capital contribution by non-controlling interest	26,589	26,857
	Interest paid	(7,934)	(9,581)
	Proceeds of lease liabilities	-	11
	Payment of lease liabilities	(407)	(427)
	Proceeds from borrowings	115,238	88,543
	Repayment of borrowings	(104,974)	(148,531)
	Purchase of treasury shares	-	(449)
	Dividends paid	-	(4,892)
	Net cash used in financing activities	28,512	(48,469)
	Net decrease in cash and cash equivalents	(29,403)	(14,645)
	Effect of exchange rate changes on balances held in foreign currencies	1,006	(278)
	Cash and cash equivalents at beginning of the period	51,488	80,550
	Cash and cash equivalents at end of the period (Note A)	23,091	65,627
Note A: Cash and cash equivalents comprise:			
	Cash and cash equivalents in the statement of financial position	54,560	95,885
	Less: fixed deposits and cash balances pledged	(31,469)	(30,258)
	Cash and cash equivalents in the statement of cash flows	23,091	65,627
	Time deposits	2,131	5,279
	Cash and cash equivalents and time deposits	25,222	70,906

E Notes to the condensed interim consolidated financial statements

1. Corporate information

GSH Corporation Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company is investment holding and provision of management services to its subsidiaries.

The principal activities of the Group are:

- a) Property development business
- b) Hospitality business
- c) Frozen food trading business

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

2.1 New and amended standards adopted by the Group

No new and amended standards adopted by the Group.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next interim period are included in the following notes:

Note 9 – Measurement of recoverable amounts of property, plant and equipment

Note 12 – Estimation of allowance for foreseeable losses for development properties

3. Seasonal operations

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

4. Segment and revenue information

4.1 Reportable segment

	1st Half Ended 30 June 2021					1st Half Ended 30 June 2020				
	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Others* S\$'000	Total S\$'000	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Others* S\$'000	Total S\$'000
Segment revenue	7,449	14,731	17,569	1,272	41,021	14,756	41,812	9,219	2,434	68,221
Elimination of inter-segment revenue	-	-	-	(1,272)	(1,272)	-	-	-	(2,434)	(2,434)
External revenue	7,449	14,731	17,569	-	39,749	14,756	41,812	9,219	-	65,787
Interest income	37	290	58	3	388	208	335	34	103	680
Interest expense	(2,241)	(733)	-	(5,723)	(8,697)	(2,914)	(987)	-	(6,054)	(9,955)
<u>Other material non-cash items:</u>										
- Net change in fair value of financial derivatives	-	-	-	1,260	1,260	-	148	-	(591)	(443)
- Depreciation	(4,737)	(723)	(24)	(257)	(5,741)	(4,202)	(624)	(22)	(320)	(5,168)
- Write-down of inventories	-	-	(1,669)	-	(1,669)	-	-	-	-	-
Reportable segment profit/(loss) before tax	(7,586)	2,433	(1,312)	(7,559)	(14,024)	(4,125)	13,182	87	(9,506)	(362)
Tax credit/ (expense)	1,632	109	(91)	-	1,650	1,202	(1,566)	(30)	-	(394)
Reportable segment profit/(loss) after tax	(5,954)	2,542	(1,403)	(7,559)	(12,374)	(2,923)	11,616	57	(9,506)	(756)
Reportable segment assets	376,926	648,402	18,963	28,927	1,073,218	389,068	685,914	23,155	75,261	1,173,398
Reportable segment liabilities	(174,087)	(134,447)	(1,918)	(265,579)	(576,031)	(175,811)	(218,600)	(7,388)	(278,832)	(680,631)
Capital expenditure	849	2,366	1	2	3,218	3,065	3	-	6	3,074

* Including general corporate activities

Geographical Information

	Revenue 1st Half Ended 30 June		Non-current assets** As at 30 June	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Malaysia	22,180	56,568	370,996	378,246
China	17,569	9,219	20,522	32,982
Singapore	-	-	26,236	25,868
Middle East	-	-	4,540	4,862
Total	39,749	65,787	422,294	441,958

**Non-current assets relate to the carrying amounts of investment properties and property, plant and equipment.

4.2 Disaggregation of Revenue

	1st Half Ended 30 June 2021				1st Half Ended 30 June 2020			
	<u>Hospitality</u>	<u>Property</u>	<u>Trading</u>	<u>Total</u>	<u>Hospitality</u>	<u>Property</u>	<u>Trading</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Types of goods or service:								
Hotel income	2,150	-	-	2,150	7,400	-	-	7,400
Golf club related income	2,131	-	-	2,131	2,770	-	-	2,770
Sales of goods	3,158	-	-	3,158	4,500	-	-	4,500
Sales of development properties	-	14,731	-	14,731	-	41,812	-	41,812
Others	10	-	-	10	86	-	-	86
Trading	-	-	17,569	17,569	-	-	9,219	9,219
	7,449	14,731	17,569	39,749	14,756	41,812	9,219	65,787
Timing of revenue recognition:								
Products transferred at a point in time	3,158	-	17,569	20,727	4,500	-	9,219	13,719
Products and services transferred over time	4,291	14,731	-	19,022	10,256	41,812	-	52,068
	7,449	14,731	17,569	39,749	14,756	41,812	9,219	65,787

5. Financial assets and financial liabilities (accounting classifications and fair value measurement)

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Accounting classifications & fair values

	Carrying amounts					Fair Value			
	Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
30 June 2021									
Financial instruments measured at fair value									
Debt investments at FVOCI	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Trade and other receivables *	-	34,163	-	-	34,163				
Amount due from related parties	-	665	-	-	665				
Time deposits	-	2,131	-	-	2,131				
Cash and cash equivalents	-	54,560	-	-	54,560				
	-	91,519	-	-	91,519				
Financial liabilities measured at fair value									
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Trade and other payables **	-	-	-	(53,621)	(53,621)				
Loans and borrowings @	-	-	-	(415,171)	(415,171)	-	(408,096)	-	(408,096)
Amounts due to related parties	-	-	-	(37,235)	(37,235)				
	-	-	-	(506,027)	(506,027)				
31 December 2020									
Financial instruments measured at fair value									
Debt investments at FVOCI	-	-	15,739	-	15,739	15,739	-	-	15,739
	-	-	15,739	-	15,739				
Financial assets not measured at fair value									
Trade and other receivables *	-	32,917	-	-	32,917				
Amount due from related parties	-	567	-	-	567				
Time deposits	-	2,548	-	-	2,548				
Cash and cash equivalents	-	81,666	-	-	81,666				
	-	117,698	-	-	117,698				
Financial liabilities measured at fair value									
Derivative financial liabilities	(1,260)	-	-	-	(1,260)	-	(1,260)	-	(1,260)
Financial liabilities not measured at fair value									
Trade and other payables **	-	-	-	(54,272)	(54,272)				
Loans and borrowings @	-	-	-	(405,861)	(405,861)	-	(388,553)	-	(388,553)
Amounts due to related parties	-	-	-	(37,703)	(37,703)				
	-	-	-	(497,836)	(497,836)				

Company

Company	Carrying amounts					Fair Value			
	Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
30 June 2021									
Financial assets measured at fair value									
Debt investments at FVOCI	-	-	-	-	-	-	-	-	-
	-	-	-	-	-				
Financial assets not measured at fair value									
Trade and other receivables *	-	434	-	-	434				
Amounts due from related parties	-	519,990	-	-	519,990				
Cash and cash equivalents	-	2,494	-	-	2,494				
	-	522,918	-	-	522,918				
Financial liabilities measured at fair value									
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Trade and other payables**	-	-	-	(1,660)	(1,660)				
Loans and borrowings @	-	-	-	(263,861)	(263,861)	-	(260,098)	-	(260,098)
Amounts due to related parties	-	-	-	(15,267)	(15,267)				
	-	-	-	(280,788)	(280,788)				
31 December 2020									
Financial assets measured at fair value									
Debt investments at FVOCI	-	-	15,739	-	15,739	15,739	-	-	15,739
	-	-	15,739	-	15,739				
Financial assets not measured at fair value									
Trade and other receivables *	-	939	-	-	939				
Amounts due from related parties	-	558,807	-	-	558,807				
Cash and cash equivalents	-	997	-	-	997				
	-	560,743	-	-	560,743				
Financial liabilities measured at fair value									
Derivative financial liabilities	(1,260)	-	-	-	(1,260)	-	(1,260)	-	(1,260)
Financial liabilities not measured at fair value									
Trade and other payables**	-	-	-	(1,543)	(1,543)				
Loans and borrowings @	-	-	-	(251,459)	(251,459)	-	(238,409)	-	(238,409)
Amounts due to related parties	-	-	-	(44,905)	(44,905)				
	-	-	-	(297,907)	(297,907)				

* Excludes advances to suppliers and prepayments

** Excludes advance payments from customers and deferred income

@ Excludes lease liabilities

6. Profit before taxation

6.1 Significant items

	1st Half Ended		
	30.6.2021 Unaudited S\$'000	30.6.2020 Unaudited S\$'000	+/- %
Income			
Rental income	(388)	(330)	17.4%
Expenses			
Personnel expenses inclusive of executive directors' remuneration	6,734	10,244	(34.3%)
Depreciation of property, plant and equipment	5,741	5,168	11.1%
Foreign exchange loss/(gain), net	2,335	(1,105)	Nm
Write-down of inventories	1,669	-	Nm
Reversal of allowance for inventory obsolescence	(1)	(1)	23.8%
Provision of impairment loss on trade receivables	25	14	84.6%
Bad debts written off	3	-	Nm
Adjustment for over provision of tax in respective of prior years	(203)	-	Nm
Debt investments at fair value through other comprehensive income:			
- (Gain)/ loss on derecognition reclassified to profit or loss	(783)	1,851	Nm
Net change in fair value of financial derivatives	(1,260)	443	Nm
Loss on disposal of property, plant and equipment	0	3	(98.0%)

Nm - Not meaningful

6.2 Related party transactions

The following significant transactions took place between the Group and related parties during the 6 months period ended 30 June 2021:

Interest expense incurred on loans and borrowings related to the directors amounted to S\$1,465,125 (30 June 2020: S\$1,403,395).

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	1st Half Ended		
	30.6.2021 Unaudited S\$'000	30.6.2020 Unaudited S\$'000	+/- %
Current income tax expense	(224)	(2,468)	(90.9%)
Deferred income tax expense relating to origination and reversal of temporary differences	2,515	2,074	21.3%
Withholding tax	(641)	-	Nm
	1,650	(394)	Nm

Nm - Not meaningful

8. Net finance costs

	1st Half Ended		
	30.6.2021 Unaudited S\$'000	30.6.2020 Unaudited S\$'000	+/- %
Interest income	388	680	(43%)
Dividend income:			
- Equity investments - at fair value through other comprehensive income ("FVOCI")	-	198	(100%)
- Debt investments - at FVOCI	-	1,042	(100%)
Finance income	388	1,920	(80%)
Financial liabilities measured at amortised cost - interest expense			
- bank and other loans	(7,421)	(9,012)	(18%)
- lease liabilities	(295)	(343)	(14%)
- Others	(503)	(175)	187%
Amortisation of transaction costs previously capitalised	(478)	(425)	12%
	(8,697)	(9,955)	(13%)
Net change in fair value of financial derivatives	1,260	(443)	Nm
Net foreign exchange loss/ (gain)	(2,335)	1,105	Nm
Finance costs	(9,772)	(9,293)	5%
Net finance costs recognised in profit or loss	(9,384)	(7,373)	27%

9. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$3,218,000 (30 June 2020: S\$3,074,000) and disposed of assets amounting to S\$nil (30 June 2020: S\$3,000).

The Group reviews the carrying amounts of the assets as at 30 June 2021 to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment and other long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group's financial condition and results of operations.

10. Investment Property

	Group	
	30.6.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
At 1 January 2021	4,472	4,694
Change in fair value	-	(150)
Effect of movements in exchange rates	68	(72)
At 30 June 2021	4,540	4,472

The Group has assessed the appropriateness of the fair values of investment property as at 30 June 2021, and there is no change in fair values in profit or loss.

11. Other Investments

	Group and Company	
	30.6.2021	31.12.2020
	Unaudited	Audited
	S\$'000	S\$'000
Non-current investments		
Debt investments- at FVOCI	-	15,739
	-	15,739

The debt investments matured during 1H2021.

12. Development properties

Development properties comprise the following:

	30.6.2021	31.12.2020
	Unaudited	Audited
	S\$'000	S\$'000
Development properties for sale		
Properties under development, for which revenue is to be recognised over time		
Land and land related costs	20,621	20,896
Development costs	186,356	178,493
	<u>206,977</u>	<u>199,389</u>
Properties under development		
Land and land related costs	303,860	214,080
Government grant utilised	(1,641)	(866)
	<u>302,219</u>	<u>213,214</u>
	<u>509,196</u>	<u>412,603</u>

Estimation of allowance for foreseeable losses for development properties

The Group assesses at every reporting date whether any allowance for foreseeable losses is required. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

13. Inventories

	Group	
	30.6.2021	31.12.2020
	Unaudited	Audited
	S\$'000	S\$'000
Food and beverage	249	309
Spare parts and consumables	376	392
Merchandise	54	64
Trading goods	13,332	8,054
	<u>14,010</u>	<u>8,819</u>

14. Trade and other receivables

	Group		Company	
	30.6.2021	31.12.2020	30.6.2021	31.12.2020
	Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Trade receivables	19,154	23,990	38	7
Deposits	1,343	1,240	37	3
Interest receivables	14	128	-	-
Other receivables	13,652	7,559	359	929
	34,163	32,917	434	939
Advances to suppliers	2,749	2,867	-	40
Prepayments	931	33,573	112	108
	37,843	69,357	546	1,087

15. Share capital

	Group and Company			
	30.6.2021		31.12.2020	
	Unaudited Number of shares	S\$'000	Audited Number of shares	S\$'000
Issued and fully paid ordinary shares				
1 January 2021	1,977,036,050	343,458	1,977,036,050	343,458
Treasury shares	(20,102,500)	(5,580)	(20,102,500)	(5,580)
30 June 2021	1,956,933,550	337,878	1,956,933,550	337,878

The group monitors capital using a net debt equity ratio, which is adjusted net debt divided by total equity. For this purpose, adjusted net debt is defined as total loans and borrowings less cash and cash equivalents. Total equity includes equity attributable to equity holders of the Company and reserves.

	Group	
	30.6.2021	31.12.2020
	Unaudited S\$'000	Audited S\$'000
Total loans and borrowings	416,490	407,579
Attributable to owners of the Company	390,721	381,434
Attributable to non-controlling interests	25,769	26,145
Less: Cash and cash equivalents and time deposit	(56,691)	(84,214)
Attributable to owners of the Company	(46,786)	(63,263)
Attributable to non-controlling interests	(9,905)	(20,951)
Net borrowings	359,799	323,365
Attributable to owners of the Company	343,935	318,171
Attributable to non-controlling interests	15,864	5,194
Total equity	497,187	486,708
Attributable to owners of the Company	357,663	372,160
Attributable to non-controlling interests	139,524	114,548
Net debt equity ratio	0.72	0.66
Net debt equity ratio (excluding non-controlling interests)	0.96	0.85

There was no treasury shares movement from 1 January 2021 to 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at 30 June 2021.

16. Trade and other payables

	Group		Company	
	30.6.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000	30.6.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
Trade payables	32,890	40,416	-	-
Accrued operating expenses	7,007	6,292	1,646	1,493
Provisions	11,241	5,383	-	-
Rental and other deposits	989	1,012	5	5
Other payables	1,494	1,169	9	45
	<u>53,621</u>	<u>54,272</u>	<u>1,660</u>	<u>1,543</u>
Advance payments from customers	4,592	981	-	-
Deferred income	15,224	18,879	-	62
	<u>73,437</u>	<u>74,132</u>	<u>1,660</u>	<u>1,605</u>
Non-current	403	399	-	-
Current	<u>73,034</u>	<u>73,733</u>	<u>1,660</u>	<u>1,605</u>
	<u>73,437</u>	<u>74,132</u>	<u>1,660</u>	<u>1,605</u>

Explanatory note:

- (i) Increase in Provisions was due mainly to the increase in provisions made for potential penalties for late commencement of construction, for one of the Group's projects in 1H2021. However, the Group obtained an indemnity from its joint venture partner for the project, against any such potential penalties, which resulted to a corresponding increase in Other Receivables under Note 14 above.

17. Loans and borrowings

	Group		Company	
	30.6.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000	30.6.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
Amount repayable within one year or on demand				
Secured				
Bank loans	54,425	57,331	40,521	41,611
Lease liabilities	102	147	-	-
	<u>54,527</u>	<u>57,478</u>	<u>40,521</u>	<u>41,611</u>
Unsecured				
Loans from a shareholder*	16,600	-	16,600	-
Bank loans	346	51,976	346	51,976
Medium term notes	-	49,939	-	49,939
Lease liabilities	578	634	-	-
	<u>17,524</u>	<u>102,549</u>	<u>16,946</u>	<u>101,915</u>
	72,051	160,027	57,467	143,526
Amount repayable after one year				
Secured				
Bank loans	258,665	161,583	121,679	23,327
Lease liabilities	37	84	-	-
	<u>258,702</u>	<u>161,667</u>	<u>121,679</u>	<u>23,327</u>
Unsecured				
Bank loans	5,000	5,000	5,000	5,000
Medium term notes	79,715	79,606	79,715	79,606
Lease liabilities	602	853	-	-
Redeemable preference shares	420	426	-	-
	<u>85,737</u>	<u>85,885</u>	<u>84,715</u>	<u>84,606</u>
	344,439	247,552	206,394	107,933
Total loans and borrowings	416,490	407,579	263,861	251,459

*This loan bears interest at the prevailing medium term notes rate of 5.20% per annum.

Details of any collateral

As at 30 June 2021, part of the Group's borrowings was secured by legal charges on the Group's development properties of S\$107.3 million (31 December 2020: S\$101.6 million), property, plant and equipment of S\$178.4 million (31 December 2020: S\$181.5 million), time deposits of S\$2.2 million (31 December 2020: S\$2.6 million) and cash and cash equivalents of S\$31.5 million (31 December 2020: S\$30.2 million).

18. Dividends

	Group and Company	
	30.6.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
Ordinary dividends paid:		
Interim exempt 2021 dividend of nil per share (2020: Interim exempt 2020 dividends of 0.25 cents per share)	-	4,892
	<u>-</u>	<u>4,892</u>

19. Earnings per ordinary share

	1st Half Ended		
	30.06.2021	30.06.2020	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-			
i) Based on weighted average number of shares (cents)	(0.517)	0.020	Nm
-Weighted average number of shares ('000)	1,956,934	1,957,870	
ii) On a fully diluted basis (cents)	(0.517)	0.020	Nm
-Adjusted weighted average number of shares ('000)	1,956,934	1,957,870	

20. Net asset value

	Group			Company		
	30.6.2021 (S\$ cents)	31.12.2020 (S\$ cents)	+/- %	30.6.2021 (S\$ cents)	31.12.2020 (S\$ cents)	+/- %
Net asset value per ordinary share	18.28	19.02	(4%)	16.75	17.10	(2%)

21. Subsequent Events

On 30 June 2021, the Company proposed to undertake a renounceable non-underwritten rights issue (the "Rights Issue") of S\$78,277,342 in aggregate principal amount, of 5.20% convertible bonds (the "Convertible Bonds"), convertible into new ordinary shares in the capital of the Company ("Shares", and the new Shares to be issued upon the conversion of the Convertible Bonds, "Conversion Shares"), in the denomination of S\$1.00 each and integral multiples thereof, on the basis of 4 Convertible Bonds for every 100 existing Shares, held by shareholders of the Company ("Shareholders") as at a date and time to be determined by the Board, for the purpose of determining the entitlements of the entitled Shareholders under the Rights Issue, fractional entitlements to be disregarded.

F Other information required by Listing Rule Appendix 7.2**1. Review**

The condensed consolidated statement of financial position of GSH Corporation Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

- 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Profit and Loss

Group revenue for 1H2021 decreased by 40% to S\$39.7 million, generating an operating loss of S\$4.6 million (1H2020: operating profit of S\$7.0 million), and a net loss after tax of S\$12.4 million (1H2020: net loss after tax of S\$0.8 million).

On a segmental basis, the Group's property business registered a 65% decline in revenue to S\$14.7 million, due to slower progressive sales recognised from the Group's Eaton Residences and Coral Bay projects in Malaysia. This was because the Group only recognises sales according to the percentage of completion in the construction of its projects. During 1H2021, the construction progress of these properties was affected by the measures taken by the Malaysian government to control the spread of Covid-19, which included the temporary suspension of construction activities. When construction activities were subsequently allowed to resume, requirements such as testing, isolation and safe distancing, further affected the progress of construction.

The Group's hospitality segment similarly posted a dip in revenue, retreating 50% to S\$7.4 million in 1H2021.

Due to the continued international border closures by the Malaysian government, the Group's resorts continued to focus on domestic business which was dependent on varying restrictions or relaxation measures taken by the local authorities.

Meanwhile, the Group continued to carry out its cost and overhead reduction initiatives which were partially mitigated by the various support measures from the Malaysian Government. Consequently, the selling and marketing expenses and administrative expenses decreased accordingly.

In 1H2021, the Group's frozen food trading business continued to grow and registered a 91% increase in revenue to S\$17.6 million. However, fresh pork prices in China have been declining since January 2021, due to the abundance of fresh pork in the market as a result of increased slaughtering activities. While the surge in pork supply had affected frozen pork prices, the Group is of the view that the decline in prices of fresh pork is only temporal. Prices are expected to recover by September 2021, which is traditionally the peak demand season. Notwithstanding, the Group's inventories are marked to market, thereby incurring an unrealized loss of S\$1.7 million under cost of sales.

Balance Sheet

The principal-protected debt investments, which were recorded as “Other Investments” in the balance sheet, matured in 1H 2021.

The increase in development properties and contract assets, from S\$433.9 million as at 31 December 2020, to S\$527.8 million as at 30 June 2021, was due mainly to capitalization of land and land-related costs incurred for the Group’s property development projects in China.

The increase in inventories, from S\$8.8 million as at 31 December 2020 to S\$14.0 million as at 30 June 2021, was due mainly to larger frozen food inventories held, due to the situation as explained above.

The decrease in trade and other receivables, from S\$69.4 million as at 31 December 2020 to S\$37.9 million as at 30 June 2021, was attributed to the reclassification of the deposit of S\$32.6 million paid for the land tender exercise in Chongqing, China (which was recorded under Prepayments), to Development Properties, upon issuance of the land titles in 1H 2021.

Cash Flow Analysis

For the first half-year ended 30 June 2021, the operating loss before working capital changes, was S\$0.3 million. However, after adjusting for working capital changes, the Group recorded a net cash outflow from operating activities of S\$70.3 million.

The Group registered a net cash inflow from investing activities of S\$12.4 million, which was due mainly to the proceeds received from divestment of Other Investments of S\$16.0 million.

The Group registered a net cash inflow from financing activities of S\$28.5 million, which was due mainly to the capital contribution received from the non-controlling interest of S\$26.6 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite the acceleration of its national vaccination programme in 1H2021, the situation remains fluid, and at this time there is still no certainty as to when international leisure travel will be permitted.

Depending on the type of measures taken by the Malaysia government, and when such measures are subsequently relaxed to allow F&B dine-in and staycation packages, only then can the hotel industry be expected to rejuvenate.

5. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year. Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

(e) If no dividend have been declared/recommended, a statement to that effect.

No dividend has been declared as the Group is conserving its funds for working capital.

6. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate for IPTs.

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms it has procured the undertakings.

8. Negative Assurance Confirmation Under Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company ("BOD"), we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the BOD which may render the condensed interim financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material respect.

On behalf of the BOD

Gilbert Ee Guan Hui
Chief Executive Officer

Goi Kok Ming (Wei Guoming)
Chief Operating Officer

BY ORDER OF THE BOARD

Lee Tiong Hock
Company Secretary
11 August 2021