



## **GSH CORPORATION LIMITED**

# **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

		<b>The Group</b>		
		<b>1st Half Ended</b>		
	<b>Note</b>	<b>30.6.2022</b>	<b>30.6.2021</b>	<b>+/-</b>
		<b>Unaudited</b>	<b>Unaudited</b>	
		<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	<b>4</b>	41,850	39,749	5%
Cost of Sales		(28,913)	(37,734)	(23%)
<b>Gross profit</b>		12,937	2,015	>100%
Other net income		966	1,405	(31%)
Selling and marketing expenses		(1,716)	(692)	>100%
Administrative expenses		(9,122)	(7,366)	24%
Other expenses		(16)	(2)	>100%
<b>Results from operating activities</b>		3,049	(4,640)	Nm
Finance income		203	388	(48%)
Finance expenses		(11,318)	(9,772)	16%
<b>Net finance costs</b>	<b>8</b>	(11,115)	(9,384)	18%
<b>Loss before tax</b>		(8,066)	(14,024)	(42%)
Tax credit	<b>7</b>	2,735	1,650	66%
<b>Loss for the period</b>	<b>6</b>	(5,331)	(12,374)	(57%)
<b>Loss attributable to:</b>				
Owners of the Company		(3,660)	(10,113)	(64%)
Non-controlling interests		(1,671)	(2,261)	(26%)
<b>Loss for the period</b>		(5,331)	(12,374)	(57%)

**Other comprehensive loss ("OCI"), net of tax****Item that are or may be reclassified subsequently to profit or loss:**

Debt investments at fair value through OCI

- net change in fair value

- gain/ (loss) on derecognition reclassified to profit or loss

Exchange differences on monetary items forming part of net investments in a foreign operation

Foreign currency translation differences relating to foreign operations

**Other comprehensive loss, net of tax****Total comprehensive loss for the period****Total comprehensive loss attributable to**

Owners of the Company

Non-controlling interests

**Total comprehensive loss for the period**

Nm - Not meaningful

<b>The Group</b>		
<b>1st Half Ended</b>		
<b>30.6.2022</b>	<b>30.6.2021</b>	<b>+/-</b>
<b>Unaudited</b>	<b>Unaudited</b>	
<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
-	138	Nm
-	(783)	Nm
(5,324)	(2,616)	>100%
(9,040)	(475)	>100%
(14,364)	(3,736)	>100%
(19,695)	(16,110)	22%
(15,172)	(14,497)	5%
(4,523)	(1,613)	>100%
(19,695)	(16,110)	22%

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE

	Note	Group		Company	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
		Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
<b>ASSETS</b>					
Property, plant and equipment	9	430,682	427,830	27,404	27,652
Investment property	10	4,695	4,557	-	-
Subsidiaries		-	-	40,171	56,825
Deferred tax assets		1,370	833	540	540
<b>Non-current assets</b>		<b>436,747</b>	<b>433,220</b>	<b>68,115</b>	<b>85,017</b>
Development properties	11	541,266	549,880	-	-
Contract costs		3,260	4,164	-	-
Contract assets		7,413	52,434	-	-
Inventories	12	9,223	11,233	-	-
Trade and other receivables	13	47,567	34,756	1,110	589
Amounts due from related parties		655	671	533,469	545,440
Tax receivables		1,669	1,563	-	-
Time deposits		2,379	2,505	-	-
Cash and cash equivalents		87,623	71,048	17,046	30,963
<b>Current assets</b>		<b>701,055</b>	<b>728,254</b>	<b>551,625</b>	<b>576,992</b>
<b>Total assets</b>		<b>1,137,802</b>	<b>1,161,474</b>	<b>619,740</b>	<b>662,009</b>
<b>EQUITY</b>					
Share capital	14	343,458	343,458	343,458	343,458
Treasury shares	14	(5,580)	(5,580)	(5,580)	(5,580)
Reserves		(46,400)	(34,888)	908	908
Accumulated profits		41,940	45,595	(29,047)	(20,735)
<b>Equity attributable to equity holders of the Company</b>		<b>333,418</b>	<b>348,585</b>	<b>309,739</b>	<b>318,051</b>
Non-controlling interests		133,043	137,566	-	-
<b>Total equity</b>		<b>466,461</b>	<b>486,151</b>	<b>309,739</b>	<b>318,051</b>
<b>LIABILITIES</b>					
Trade and other payables	15	419	416	-	-
Contract liabilities		1,304	1,336	-	-
Loans and borrowings	16	343,587	314,820	169,717	203,337
Deferred tax liabilities		39,822	43,841	-	-
<b>Non-current liabilities</b>		<b>385,132</b>	<b>360,413</b>	<b>169,717</b>	<b>203,337</b>
Trade and other payables	15	77,729	85,055	2,064	3,121
Contract liabilities		43,930	20,235	-	-
Amounts due to related parties		36,570	37,198	16,123	15,507
Loans and borrowings	16	127,920	172,360	122,037	121,933
Current tax liabilities		60	62	60	60
<b>Current liabilities</b>		<b>286,209</b>	<b>314,910</b>	<b>140,284</b>	<b>140,621</b>
<b>Total liabilities</b>		<b>671,341</b>	<b>675,323</b>	<b>310,001</b>	<b>343,958</b>
<b>Total equity and liabilities</b>		<b>1,137,802</b>	<b>1,161,474</b>	<b>619,740</b>	<b>662,009</b>

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of Company									
	Share capital S\$'000	Treasury Shares S\$'000	Asset		Capital reserves S\$'000	Fair value reserves S\$'000	Accumulated profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
			revaluation reserves S\$'000	Translation reserves S\$'000						
As at 1 January 2022	343,458	(5,580)	4,132	(39,928)	908	-	45,600	348,590	137,566	486,156
<b>Total comprehensive loss for the year</b>										
Loss for the period	-	-	-	-	-	-	(3,660)	(3,660)	(1,671)	(5,331)
<b>Other comprehensive loss:</b>										
Foreign currency translation differences relating to foreign operations	-	-	-	(6,188)	-	-	-	(6,188)	(2,852)	(9,040)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(5,324)	-	-	-	(5,324)	-	(5,324)
Total other comprehensive loss, net of tax	-	-	-	(11,512)	-	-	-	(11,512)	(2,852)	(14,364)
<b>Total comprehensive loss for the year</b>	-	-	-	(11,512)	-	-	(3,660)	(15,172)	(4,523)	(19,695)
As at 30 June 2022	343,458	(5,580)	4,132	(51,440)	908	-	41,940	333,418	133,043	466,461
Group	Attributable to owners of Company									
	Share capital S\$'000	Treasury Shares S\$'000	Asset		Capital reserves S\$'000	Fair value reserves S\$'000	Accumulated profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
			revaluation reserves S\$'000	Translation reserves S\$'000						
As at 1 January 2021	343,458	(5,580)	4,132	(37,128)	-	645	66,633	372,160	114,548	486,708
<b>Total comprehensive loss for the year</b>										
Loss for the period	-	-	-	-	-	-	(10,113)	(10,113)	(2,261)	(12,374)
<b>Other comprehensive loss:</b>										
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 (loss)/ income, net of tax	-	-	-	(3,739)	-	(645)	-	(4,384)	648	(3,736)
<b>Total comprehensive loss for the year</b>	-	-	-	(3,739)	-	(645)	(10,113)	(14,497)	(1,613)	(16,110)
<b>Changes in ownership interests in subsidiaries</b>										
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	26,589	26,589
<b>Total changes in ownership interests in a subsidiary</b>	-	-	-	-	-	-	-	-	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)

Company

	Share capital S\$'000	Treasury Share S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 January 2022	-	-	908	(20,735)	(19,827)
<b>Total comprehensive loss for the year</b>					
Loss for the period	-	-	-	(8,312)	(8,312)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(8,312)</b>	<b>(8,312)</b>
As at 30 June 2022	-	-	908	(29,047)	(28,139)
	Share capital S\$'000	Treasury Share S\$'000	Fair value reserves S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>2021</b>					
As at 1 January 2021	343,458	(5,580)	645	(3,881)	334,642
<b>Total comprehensive loss for the year</b>					
Loss for the period	-	-	-	(6,235)	(6,235)
<b>Other comprehensive loss</b>					
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 loss, net of tax	-	-	(645)	-	(645)
<b>Total comprehensive loss for the year</b>	-	-	<b>(645)</b>	<b>(6,235)</b>	<b>(6,880)</b>
As at 30 June 2021	343,458	(5,580)	-	(10,116)	327,762

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

		<b>The Group</b>	
		<b>1st Half Ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
<b>Notes</b>		<b>Unaudited S\$'000</b>	<b>Unaudited S\$'000</b>
<b>Cash flows from operating activities</b>			
	Loss for the period	(5,331)	(12,374)
	Adjustment for:		
	Depreciation of property, plant & equipment	5,567	5,741
	Interest expense	9,376	8,697
	Interest income	(203)	(388)
	Reversal of allowance for inventories	(3)	(1)
	Loss on disposal of property, plant & equipment	1	-
	Net impairment loss on trade receivables	2	25
	(Reversal of inventories written down)/ Write-down of inventories	(1,856)	1,669
	Debt investments at fair value through other comprehensive income	-	(783)
	- Gain on derecognition reclassified from OCI	-	(1,260)
	Net change in fair value of financial derivatives	-	(1,260)
	Tax credit	(2,735)	(1,650)
	Operating cashflows before working capital changes	4,818	(324)
	Change in		
	Development properties	(4,188)	(66,588)
	Contract costs	904	3,125
	Contracts assets/liabilities, net	68,684	2,517
	Inventories	3,869	(6,859)
	Trade and other receivables	(12,738)	(1,178)
	Trade and other payables	(6,000)	1,054
	<b>Cash from/ (used in) operations</b>	<b>55,349</b>	<b>(68,254)</b>
	Tax paid, net	(310)	(2,013)
	<b>Net cash from/ (used in) operating activities</b>	<b>55,039</b>	<b>(70,267)</b>
<b>Cash flows from investing activities</b>			
	Acquisition of property, plant and equipment	(14,657)	(3,215)
	Proceeds from disposal of other investments	-	15,955
	Decrease/ (increase) in deposits pledged	2,543	(1,291)
	Uplift of bank deposits	126	417
	Interest received	128	486
	Proceeds from disposal of property, plant and equipment	18	-
	<b>Net cash (used in)/ from investing activities</b>	<b>(11,843)</b>	<b>12,352</b>
<b>Cash flows from financing activities</b>			
	Capital contribution by non-controlling interest	-	26,589
	Interest paid	(10,102)	(7,934)
	Payment of lease liabilities	(253)	(407)
	Proceeds from borrowings	141,145	115,238
	Repayment of borrowings	(154,882)	(104,974)
	<b>Net cash (used in)/ from financing activities</b>	<b>(24,092)</b>	<b>28,512</b>
	<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>19,104</b>	<b>(29,403)</b>
	Effect of exchange rate changes on balances held in foreign currencies	13	1,006
	<b>Cash and cash equivalents at beginning of the period</b>	<b>37,503</b>	<b>51,488</b>
	<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>56,620</b>	<b>23,091</b>
<b>Note A: Cash and cash equivalents comprise:</b>			
	Cash and cash equivalents in the statement of financial position	87,623	54,560
	Less: fixed deposits and bank balances pledged	(31,003)	(31,469)
	Cash and cash equivalents in the consolidated statement of cash flows	56,620	23,091
	Time deposits	2,379	2,131
	Cash and cash equivalents and time deposits	58,999	25,222

## **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 2022 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 2022 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 2021.

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

The financial statements are presented in Singapore dollars (S\$), which is the Company's functional currency.

#### **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 2022					1st Half Ended 30 June 2021				
	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	12,237	23,317	6,296	1,486	43,336	7,449	14,731	17,569	1,272	41,021
Elimination of inter-segment revenue	-	-	-	(1,486)	(1,486)	-	-	-	(1,272)	(1,272)
External revenue	12,237	23,317	6,296	-	41,850	7,449	14,731	17,569	-	39,749
Interest income	34	142	8	19	203	37	290	58	3	388
Interest expense	(2,157)	(403)	(33)	(6,783)	(9,376)	(2,241)	(733)	-	(5,723)	(8,697)
<b>Other material non-cash items:</b>										
- Net change in fair value of financial derivatives	-	-	-	-	-	-	-	-	1,260	1,260
- Depreciation	(4,544)	(749)	(25)	(249)	(5,567)	(4,737)	(723)	(24)	(257)	(5,741)
- Reversal of inventories written down/ (Write-down of inventories)	-	-	1,856	-	1,856	-	-	(1,669)	-	(1,669)
Reportable segment profit/(loss) before tax	(6,544)	7,184	1,072	(9,778)	(8,066)	(7,586)	2,433	(1,312)	(7,559)	(14,024)
Tax credit/(expense)	1,368	1,371	-	(4)	2,735	1,632	109	(91)	-	1,650
Reportable segment profit/(loss) after tax	(5,176)	8,555	1,072	(9,782)	(5,331)	(5,954)	2,542	(1,403)	(7,559)	(12,374)
Reportable segment assets	359,562	723,850	11,155	43,235	1,137,802	376,926	648,402	18,963	28,927	1,073,218
Reportable segment liabilities	(169,115)	(191,152)	(1,074)	(309,999)	(671,341)	(174,087)	(134,447)	(1,918)	(265,579)	(576,031)
Capital expenditure	242	14,413	-	1	14,657	849	2,363	1	2	3,215

\* Including general corporate activities

### Geographical Information

	Revenue 1st Half Ended 30 June		Non-current assets ** As at 30 June	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Malaysia	35,554	22,180	354,128	370,996
China	6,296	17,569	51,668	20,522
Singapore	-	-	24,886	26,236
United Arab Emirates	-	-	4,695	4,540
Total	41,850	39,749	435,377	422,294

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

## 4.2 Disaggregation of Revenue

### Revenue

	1st Half Ended 30 June 2022				1st Half Ended 30 June 2021			
	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Total S\$'000	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Total S\$'000
<b>Types of goods or service:</b>								
Hotel income	4,810	-	-	4,810	2,150	-	-	2,150
Golf club related income	2,337	-	-	2,337	2,131	-	-	2,131
Sales of goods	5,090	-	-	5,090	3,158	-	-	3,158
Sales of development properties	-	23,317	-	23,317	-	14,731	-	14,731
Others	-	-	-	-	10	-	-	10
Trading	-	-	6,296	6,296	-	-	17,569	17,569
	12,237	23,317	6,296	41,850	7,449	14,731	17,569	39,749
<b>Timing of revenue recognition:</b>								
Products transferred at a point in time	5,090	-	6,296	11,386	3,158	-	17,569	20,727
Products and services transferred over time	7,147	23,317	-	30,464	4,291	14,731	-	19,022
	12,237	23,317	6,296	41,850	7,449	14,731	17,569	39,749

## 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.

**Financial instruments****Accounting classifications & fair values**

	Carrying amounts					Fair Value			
	Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income (FVOCI)	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
<b>Group</b>									
<b>30 June 2022</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables *	-	43,527	-	-	43,527				
Amount due from related parties	-	655	-	-	655				
Time deposits	-	2,379	-	-	2,379				
Cash and cash equivalents	-	87,623	-	-	87,623				
	-	134,184	-	-	134,184				
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables **	-	-	-	(70,634)	(70,634)				
Loans and borrowings @	-	-	-	(469,899)	(469,899)	-	(452,492)	-	(452,492)
Amounts due to related parties	-	-	-	(36,570)	(36,570)				
	-	-	-	(577,103)	(577,103)				
<b>31 December 2021</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables *	-	33,595	-	-	33,595				
Amount due from related parties	-	671	-	-	671				
Time deposits	-	2,505	-	-	2,505				
Cash and cash equivalents	-	71,048	-	-	71,048				
	-	107,819	-	-	107,819				
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables **	-	-	-	(84,599)	(84,599)				
Loans and borrowings @	-	-	-	(486,135)	(486,135)	-	(474,950)	-	(474,950)
Amounts due to related parties	-	-	-	(37,198)	(37,198)				
	-	-	-	(607,932)	(607,932)				

## Company

Company	Carrying amounts					Fair Value			
	Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income (FVOCI)	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
<b>30 June 2022</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables *	-	455	-	-	455				
Amounts due from related parties	-	533,469	-	-	533,469				
Cash and cash equivalents	-	17,046	-	-	17,046				
	-	550,970	-	-	550,970				
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables**	-	-	-	(2,064)	(2,064)				
Loans and borrowings@	-	-	-	(291,754)	(291,754)	-	(275,982)	-	(275,982)
Amounts due to related parties	-	-	-	(16,123)	(16,123)				
	-	-	-	(309,941)	(309,941)				
<b>31 December 2021</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables *	-	487	-	-	487				
Amounts due from related parties	-	545,440	-	-	545,440				
Cash and cash equivalents	-	30,963	-	-	30,963				
	-	576,890	-	-	576,890				
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables**	-	-	-	(3,055)	(3,055)				
Loans and borrowings@	-	-	-	(325,270)	(325,270)	-	(323,712)	-	(323,712)
Amounts due to related parties	-	-	-	(15,507)	(15,507)				
	-	-	-	(343,832)	(343,832)				

\* Excludes advance payments to suppliers and prepayments

\*\* Excludes advance payments from customers and deferred income

@ Excludes lease liabilities

## 6. Loss for the period

### 6.1 Significant items

	1st Half Year Ended 30 June		
	30.06.2022	30.06.2021	+/-
	Unaudited S\$'000	Unaudited S\$'000	%
<b>Income</b>			
Rental income	(477)	(388)	22.9%
<b>Expenses</b>			
Personnel expenses inclusive of executive directors' remuneration	9,047	6,734	34.3%
Depreciation of property, plant and equipment	5,567	5,741	(3.0%)
Foreign currency exchange loss, net	1,942	2,335	(16.8%)
(Reversal of inventories written down)/ Write-down of inventories	(1,856)	1,669	Nm
Reversal of allowance fo inventories	(3)	(1)	Nm
Net impairment loss on trade receivables	2	25	Nm
Bad debts written off	-	3	Nm
Adjustment for over provision of tax in respective of prior years	(4)	(203)	Nm
Debt investments at fair value through other comprehensive income:			
- Gain on derecognition reclassified from OCI	-	(783)	Nm
Net change in fair value of financial derivatives	-	(1,260)	Nm
Loss on disposal of property, plant and equipment	1	-	Nm

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 2022:

Interest expense incurred on loans and borrowings related to the directors amounted to S\$2,780,804 (30 June 2021: S\$1,465,125).

#### Key management personnel remuneration

Key management personnel remuneration is as follows:

	1st Half Ended		
	30.6.2022	30.6.2021	+/-
	Unaudited S\$'000	Unaudited S\$'000	%
Short-term employee benefits	899	1,006	(10.6%)
Post-employment benefits (including Central Provident Fund)	38	32	18.8%
	937	1,038	(9.7%)

## 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		
	30.6.2022 Unaudited S\$'000	30.6.2021 Unaudited S\$'000	+/- %
Corporate income tax expense	(166)	(224)	(26%)
Deferred income tax expense relating to origination and reversal of temporary differences	3,539	2,515	41%
Withholding tax	(638)	(641)	(0%)
	<u>2,735</u>	<u>1,650</u>	<u>66%</u>

## 8. Net finance costs

	1st Half Ended		
	30.6.2022 Unaudited S\$'000	30.6.2021 Unaudited S\$'000	+/- %
Interest income	203	388	(48%)
Finance income	203	388	(48%)
Interest expense from:			
- bank and other loans	(8,437)	(7,421)	14%
- lease liabilities	(330)	(295)	12%
- Others	(220)	(503)	(56%)
Amortisation of transaction costs previously capitalised	(389)	(478)	(19%)
	(9,376)	(8,697)	8%
Net change in fair value of financial derivatives	-	1,260	Nm
Net foreign exchange gain/ (loss)	(1,942)	(2,335)	(17%)
Finance costs	(11,318)	(9,772)	16%
	(11,115)	(9,384)	18%

## 9. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to S\$14,657,000 (30 June 2021: S\$3,218,000) and disposed of assets amounting to S\$19,000 (30 June 2021: S\$3,000).

The Group reviews the carrying amounts of the assets as at 30 June 2022 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	
	30.06.2022	31.12.2021
	Unaudited S\$'000	Audited S\$'000
At 1 January 2022	4,557	4,472
Effect of movements in exchange rates	138	85
At 30 June 2022	<u>4,695</u>	<u>4,557</u>

Investment property comprises leasehold commercial property leased to external customers, held for capital appreciation and rental income. The leasehold property is situated in Jebel Ali Free Zone Area, Dubai, with an initial non-cancellable lease period of 15 years and an option to renew.

The Group has assessed the appropriateness of the fair values of investment property as at 30 June 2022, and there is no change in fair values.

## 11. Development properties

	Group	
	30.06.2022	31.12.2021
	Unaudited S\$'000	Audited S\$'000
<b>Development properties for sale</b>		
Properties under development		
Land and land related costs	104,214	143,287
Development costs	244,814	210,338
	<u>349,028</u>	<u>353,625</u>
<b>Properties under development</b>		
Land and land related costs	201,217	205,498
Government grant utilised	(8,979)	(9,243)
	<u>192,238</u>	<u>196,255</u>
	<u>541,266</u>	<u>549,880</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.

**12. Inventories**

	<b>Group</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>Unaudited S\$'000</b>	<b>Audited S\$'000</b>
Food and beverage	222	256
Spare parts and consumables	431	342
Merchandise	35	39
Trading goods	8,535	10,596
	<u>9,223</u>	<u>11,233</u>

**13. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>Unaudited S\$'000</b>	<b>Audited S\$'000</b>	<b>Unaudited S\$'000</b>	<b>Audited S\$'000</b>
Trade receivables	25,962	16,470	47	11
Deposits	1,104	1,192	47	47
Interest receivables	62	63	4	-
Other receivables	16,399	15,870	357	429
	<u>43,527</u>	<u>33,595</u>	<u>455</u>	<u>487</u>
Advances to suppliers	1,794	466	-	-
Prepayments	2,246	695	655	102
	<u>47,567</u>	<u>34,756</u>	<u>1,110</u>	<u>589</u>

**14. Share capital**

	<b>Group and Company</b>			
	<b>30.06.2022</b>		<b>31.12.2021</b>	
	<b>Unaudited</b>		<b>Audited</b>	
	<b>Number of shares</b>	<b>S\$'000</b>	<b>Number of shares</b>	<b>S\$'000</b>
<b>Issued and fully paid ordinary shares</b>				
1 January 2022	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 2022	<u>1,956,933,550</u>	<u>337,878</u>	<u>1,956,933,550</u>	<u>337,878</u>

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.



**14. Share capital (cont'd)**

	Group	
	30.06.2022	31.12.2021
	Unaudited S\$'000	Audited S\$'000
<b>Total loans and borrowings</b>	471,507	487,180
Attributable to owners of the Company	431,429	456,209
Attributable to non-controlling interests	40,078	30,971
<b>Less: Cash and cash equivalents and time deposit</b>	(90,002)	(73,553)
Attributable to owners of the Company	(82,247)	(69,426)
Attributable to non-controlling interests	(7,755)	(4,127)
<b>Net borrowings</b>	381,504	413,627
Attributable to owners of the Company	349,182	386,783
Attributable to non-controlling interests	32,322	26,844
<b>Total equity</b>	466,461	486,151
Attributable to owners of the Company	333,418	348,585
Attributable to non-controlling interests	133,043	137,566
Net debt equity ratio	0.82	0.85
Net debt equity ratio (excluding non-controlling interests)	1.05	1.11

There was no treasury shares movement from 1 January 2022 to 30 June 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at 30 June 2022.

**15. Trade and other payables**

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Trade payables	29,320	58,333	-	-
Accrued operating expenses	22,864	8,600	2,046	3,035
Provisions	11,464	11,464	-	-
Rental and other deposits	998	962	5	5
Other payables	5,988	5,240	13	15
	70,634	84,599	2,064	3,055
Advance payments from customers	6,886	164	-	-
Deferred income	628	708	-	66
	78,148	85,471	2,064	3,121
Non-current	419	416	-	-
Current	77,729	85,055	2,064	3,121
	78,148	85,471	2,064	3,121

## 16. Loans and borrowings

	Group		Company	
	30.06.2022 Unaudited S\$'000	31.12.2021 Audited S\$'000	30.06.2022 Unaudited S\$'000	31.12.2021 Audited S\$'000
<b>Amount repayable within one year or on demand</b>				
<b>Secured</b>				
Bank loans	46,432	91,011	40,877	40,895
Lease liabilities	32	66	-	-
	46,464	91,077	40,877	40,895
<b>Unsecured</b>				
Bank loans	1,227	1,213	1,226	1,213
Medium term notes	79,934	79,825	79,934	79,825
Lease liabilities	295	245	-	-
	81,456	81,283	81,160	81,038
	<b>127,920</b>	<b>172,360</b>	<b>122,037</b>	<b>121,933</b>
<b>Amount repayable after one year</b>				
<b>Secured</b>				
Bank loans	261,441	232,760	89,262	122,431
Lease liabilities	3	17	-	-
	261,444	232,777	89,262	122,431
<b>Unsecured</b>				
Bank loans	2,971	3,588	2,971	3,588
Lease liabilities	1,278	717	-	-
Redeemable preference shares	410	420	-	-
Convertible bonds	77,484	77,318	77,484	77,318
	82,143	82,043	80,455	80,906
	<b>343,587</b>	<b>314,820</b>	<b>169,717</b>	<b>203,337</b>
<b>Total loans and borrowings</b>	<b>471,507</b>	<b>487,180</b>	<b>291,754</b>	<b>325,270</b>

### Details of any collateral

As at 30 June 2022, part of the Group's borrowings was secured by legal charges on the Group's development properties of S\$255.5 million (31 December 2021: S\$248.2 million), property, plant and equipment of S\$202.4 million (31 December 2021: S\$193.4 million), time deposits of S\$2.4 million (31 December 2021: S\$2.4 million) and cash and cash equivalents of S\$31.0 million (31 December 2021: S\$31.2 million).

## 17. Loss per ordinary share

	1st Half Ended		
	30.06.2022	30.06.2021	+/- %
Loss per ordinary share of the Group based on net loss attributable to shareholders:-			
i) Based on weighted average number of shares (cents)	(0.187)	(0.517)	64%
-Weighted average number of shares ('000)	1,956,934	1,956,934	
ii) On a fully diluted basis (cents)	(0.187)	(0.517)	64%
-Adjusted weighted average number of shares ('000)	1,956,934	1,956,934	

## 18. Net asset value

	Group			Company		
	30.06.2022 (S\$ cents)	31.12.2021 (S\$ cents)	+/- %	30.06.2022 (S\$ cents)	31.12.2021 (S\$ cents)	+/- %
Net asset value per ordinary share	17.04	17.81	-4.4%	15.83	16.25	-2.6%

## 19. Subsequent Events

### a) Contingent Asset

By a High Court judgment dated 8 July 2022 (“Judgment”), the Company’s wholly owned subsidiary, Borneo Ventures Pte Ltd (“BV”) was awarded inter alia damages of MYR 26,117,500 and statutory interest of 5.33% per annum on that amount from 26 March 2014 until payment. The Judgment was the outcome of assessment of damages proceedings in the suit that BV filed against Ong Han Nam (“Ong”) in 2016 (“Suit”). On 20 July 2022, Ong filed a notice of appeal against the Judgment. Between 4 August 2022 to 11 August 2022, BV received payments of S\$11.68 million from Ong for the amounts awarded in the Judgment.

As of the interim reporting date, the Group has not recognized any income from the Judgment in its profit or loss account.

By way of background: -

- a. The companies which owned the Sutera Harbour properties had been acquired by BV on 26 March 2014.
- b. The Suit related to a breach of warranty given by Ong in the said acquisition over the ownership of a piece of land measuring 1.459 acres located within the Sutera Harbour properties where there was a purported sale of that said land to a company owned by Ong.
- c. In the Suit, the remedies sought by BV were for (1) a mandatory injunction requiring Ong to restrain his company from completing and/or enforcing the sale of the said land and to cause his company to terminate the sale and purchase agreement for the said sale, and/or (2) damages to be assessed.
- d. By a High Court judgment dated 5 May 2020, the injunction sought by BV was granted. However, this injunction was subsequently set aside on appeal. Ong was instead found liable to pay to BV damages as mentioned above.

### b) Material Event

Reference is made to the Company’s announcement dated 8 June 2022 titled Notice of Claim for Accumulative and Consequential Losses; and Receipt of Notice of Arbitration, there is no further update on this matter to date and updates will be announced, if and when there are material developments

## F Other information required by Listing Rule Appendix 7.2

### 1. Review

The condensed consolidated statements of financial position of GSH Corporation Limited and its subsidiaries as at 30 June 2022 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. Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 30 June 2022, up to 460,454,952 (31 December 2021: up to 460,454,952) new shares of the Company may be issued upon conversion of the Convertible Bonds that were issued by the Company on 12 October 2021.

### 3. 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 1H2022 increased by 5% to S\$41.9 million, generating an operating profit of S\$3.0 million (1H2021: operating loss of S\$4.6 million), and a net loss after tax of S\$5.3 million (1H2021: net loss after tax of S\$12.4 million).

On a segmental basis, the Group's property business registered a 58% rise in revenue to S\$23.3 million, boosted by improved sales performance of its Eaton Residences project in 1H2022.

The Group's hospitality segment posted a 64% increase in revenue to S\$12.2 million in 1H2022 as Malaysia had eased its movement control restrictions in Q2 2022.

Selling and marketing expenses in 1H2022 increased by S\$1.0 million to S\$1.7 million, due mainly to higher marketing expenses incurred for the Group's PRC property project after the project launched in Q4 2021.

Administrative expenses in 1H2022 rose by S\$1.8 million to S\$9.2 million, from higher personnel expenses incurred in 1H2022, after the Group reinstated certain portions of staff salaries in its hospitality business, coupled with the reduction in job support grants from both Singapore and Malaysia governments.

In 1H2022, the Group's frozen food trading business registered a 64% decline in revenue, due to the subdued consumer demand as a result of the zero-Covid policy in the PRC. However, there was some recovery in frozen pork prices in Q2 2022. Correspondingly, the Group had reversed an unrealised loss of S\$1.9 million as reflected in "Cost of Sales".

### **Statement of Financial Position**

The decrease in contract assets, from S\$52.4 million as at 31 December 2021 to S\$7.4 million as at 30 June 2022, was due mainly to the transfer of S\$44.1 million to trade receivables upon handover of vacant possession of Eaton Residences project in 1H 2022.

The decline in inventories, from S\$11.2 million as at 31 December 2021 to S\$9.2 million as at 30 June 2022, was due mainly to reduction in frozen pork inventories.

The decrease in loans and borrowings, from S\$487.1 million as at 31 December 2021 to S\$471.5 million as at 30 June 2022, was the result of loan repayments made in 1H2022.

The increase in contract liabilities, from S\$21.6 million as at 31 December 2021 to S\$45.2 million as at 30 June 2022, was attributed to the higher advances received from contractual customers for our property projects.

### **Cash Flow Analysis**

For the 6 months ended 30 June 2022, the Group's operating profit before working capital changes was S\$4.8 million. However, after adjusting for working capital changes, it recorded a net cash inflow from operating activities of S\$55.0 million.

The Group registered a net cash outflow from investing activities of S\$11.8 million, mainly due to the purchase of property, plant and equipment of S\$14.7 million.

The Group registered a net cash outflow from financing activities of S\$24.1 million, brought about by the net borrowing repayment of S\$13.7 million and interest payment of S\$10.1 million.

### **Use of Proceeds from The Rights Issue**

The Company refers to its announcements on 30 June 2021, 2 July 2021, 13 August 2021, 8 September 2021, 16 September 2021, 8 October 2021, 12 October 2021 and 15 October 2021, 2 December 2021, 25 February 2022, 13 April 2022 and 26 April 2022 and the offer information statement dated 16 September 2021 (the "OIS") issued by the Company in relation to the Rights Issue (as defined in the OIS) (the "Rights Issue"). Unless otherwise defined herein or the context otherwise requires, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the OIS.

Pursuant to Rule 704(30), the Company would like to announce that the balance S\$13.4 million of the net proceeds of S\$78.0 million raised from the Rights Issue had been utilised in June 2022 as follows:

- a) S\$13.3 million (which originally was earmarked for general working capital purpose) was used for the repayment of a revolving working capital facility (see Note (1) below); and
- b) S\$0.1 million was used for repayment of existing loans and interest

The net proceeds of S\$78.0 million raised from the Rights Issue have hence been fully utilised. This comprised:

- a) repayment of shareholder's loan provided by Dr. Sam Goi of S\$32.0 million
- b) S\$17.9 million for general working capital purpose, specifically for funding of the Company's subsidiaries' property development in China and Malaysia (see our announcement dated 26 April 2022)
- c) S\$13.3 million (which originally was earmarked for general working capital purpose) was used for the repayment of a revolving working capital facility; and

d) S\$14.8 million for repayment of existing loans and interest

Note:

(1) The Company had utilised S\$13.3 million towards the repayment of an existing revolving working capital facility to save on the interest payable under that facility, in view of the rising interest environment. Following such repayment, the facility remains available to the Company for future drawdown.

Save for the S\$13.3 million payment mentioned above, all use of proceeds is in accordance with the intended use of proceeds stated in the OIS.

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

Not applicable.

**5. 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.**

Malaysia continues to relax its movement control order measures. Quarantine-free international travel resumed for Kota Kinabalu, Sabah in April 2022. Whilst the recovery to pre-pandemic level will still take some time, we believe that this will rejuvenate Malaysia's overall economy, particularly its tourism and hospitality industries. We are hopeful that this will foster a positive effect on our property business as well.

**6. 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.

**7. 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.

**8. 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.

**9. 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 2022 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  
12 August 2022