


GSH CORPORATION LIMITED
Second Quarter and Half Yearly Financial Statements for the Period Ended 30/06/2018
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 2nd Quarter and 6 Months Ended 30 June

	Second Quarter Ended 30 June			Half Year Ended 30 June		
	30.6.2018	30.6.2017	+/-	30.6.2018	30.6.2017	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Revenue	22,945	30,557	(24.9%)	47,347	51,558	(8.2%)
Cost of sales	(9,286)	(16,760)	(44.6%)	(18,793)	(25,752)	(27.0%)
Gross profit	13,659	13,797	(1.0%)	28,554	25,806	10.6%
Gross profit margin	60%	45%	33.3%	60%	50%	20.0%
Other income	545	76,398	(99.3%)	1,041	76,899	(98.6%)
Distribution and selling expenses	(760)	(918)	(17.2%)	(1,457)	(1,708)	(14.7%)
Administrative expenses	(6,337)	(8,823)	(28.2%)	(12,324)	(14,648)	(15.9%)
Other expenses	(12)	(31)	(61.3%)	(12)	(47)	(74.5%)
Operating profit	7,095	80,423	(91.2%)	15,802	86,302	(81.7%)
Amortisation and depreciation	(2,634)	(2,261)	16.5%	(5,217)	(4,443)	17.4%
Exchange gain/(loss)	918	(3,673)	Nm	431	(12,950)	Nm
Finance expenses	(4,781)	(5,219)	(8.4%)	(9,085)	(11,234)	(19.1%)
Finance income	399	612	(34.8%)	946	1,963	(51.8%)
Net change in fair value of financial derivatives	665	3,475	(80.9%)	610	12,352	(95.1%)
Share of profit of equity-accounted investee	1,883	1,445	30.3%	3,431	1,907	79.9%
Profit before tax	3,545	74,802	(95.3%)	6,918	73,897	(90.6%)
Taxation	(1,137)	(771)	47.5%	(2,817)	(1,530)	84.1%
Profit for the period	2,408	74,031	(96.7%)	4,101	72,367	(94.3%)
Attributable to:						
Owners of the Company	2,210	71,677	(96.9%)	3,318	70,327	(95.3%)
Non-controlling interests	198	2,354	(91.6%)	783	2,040	(61.6%)
	2,408	74,031	(96.7%)	4,101	72,367	(94.3%)

	Second Quarter Ended 30 June			Half Year Ended 30 June		
	30.6.2018 Unaudited S\$'000	30.6.2017 Unaudited S\$'000	+/- %	30.6.2018 Unaudited S\$'000	30.6.2017 Unaudited S\$'000	+/- %
Profit for the period	2,408	74,031	(96.7%)	4,101	72,367	(94.3%)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Effective portion of changes in fair value of cash flow hedges	(1,865)	-	Nm	(1,865)	-	Nm
Net change in fair value of other investments, at fair value through other comprehensive income	900	930	(3.2%)	(2,137)	930	Nm
Translation differences relating to financial statements of foreign subsidiaries	(710)	3,988	Nm	6,733	(1,558)	Nm
Share of foreign currency translation differences of equity-accounted investees	31	-	Nm	1,032	-	Nm
Exchange differences on monetary items forming part of net investments in a foreign operation	(1,824)	1,096	Nm	1,209	(325)	Nm
<u>Items that will not be reclassified to profit or loss:</u>						
Net change in fair value of other investments, at fair value through other comprehensive income	(746)	-	Nm	(1,125)	-	Nm
Total comprehensive income for the period	(1,806)	80,045	Nm	7,948	71,414	Nm
Attributable to:						
Owners of the Company	(1,793)	76,750	Nm	5,668	69,667	(91.9%)
Non-controlling interests	(13)	3,295	Nm	2,280	1,747	30.5%
	(1,806)	80,045	Nm	7,948	71,414	(88.9%)

Nm - Not meaningful

Notes to Group profit and loss account

1 a(i) Pre-tax profit of the Group is arrived at after charging/(crediting) the following:

	2nd Quarter Ended 30 June			Half Year Ended 30 June		
	30.6.2018	30.6.2017	+/-	30.6.2018	30.6.2017	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Personnel expenses*	6,466	9,346	(30.8%)	13,093	15,033	(12.9%)
Operating lease expenses	107	199	(46.2%)	284	419	(32.2%)
Non-executive directors' fees	89	76	17.1%	177	151	17.2%
Executive directors' remuneration	370	3,787	(90.2%)	730	4,087	(82.1%)
Depreciation of property, plant & equipment	2,634	2,261	16.5%	5,217	4,443	17.4%
Foreign exchange (gain)/loss	(918)	3,673	Nm	(431)	12,950	Nm
Rental income	(76)	(543)	Nm	(150)	(925)	(83.8%)
Write back of allowance for inventory obsolescence	-	(1)	Nm	(1)	(4)	(75.0%)
Reversal of impairment loss on trade receivables	-	-	Nm	(1)	(1)	Nm
Gain on disposal of a subsidiary	-	(74,923)	Nm	-	(74,923)	Nm

* Personnel expenses inclusive of executive directors' remuneration

Nm - Not meaningful

1(b)(i) A balance sheet (for the company and group), together with a comparative statement as at the end of the immediately preceding financial year.

CONSOLIDATED FINANCIAL POSITION as at 30 JUNE

	Group		Company	
	30.06.2018 Unaudited S\$'000	31.12.2017 Audited S\$'000	30.06.2018 Unaudited S\$'000	31.12.2017 Audited S\$'000
ASSETS				
Property, plant and equipment	411,068	403,404	29,701	29,962
Investment property	5,366	5,260	-	-
Investment in subsidiaries	-	-	291	313
Investment in associate	63,102	58,640	-	-
Other investments	76,255	-	76,255	-
Non-current assets	555,791	467,304	106,247	30,275
Development property	337,147	211,762	-	-
Inventories	925	986	-	-
Trade receivables	2,846	5,090	58	70
Other receivables, deposits and prepayments	8,887	8,512	4,734	4,643
Amounts due from subsidiaries (non-trade)	-	-	396,056	333,049
Fixed deposits	115,969	136,212	104,022	96,500
Cash and bank balances	41,721	100,472	1,346	86,790
Current assets	507,495	463,034	506,216	521,052
Total assets	1,063,286	930,338	612,463	551,327
EQUITY				
Share capital	343,458	343,458	343,458	343,458
Treasury shares	(5,131)	(5,131)	(5,131)	(5,131)
Reserves	62,809	81,629	196	33,640
Equity attributable to equity holders of the Company	401,136	419,956	338,523	371,967
Non-controlling interests	77,356	58,147	-	-
Total equity	478,492	478,103	338,523	371,967
LIABILITIES				
Loans and borrowings	372,543	327,328	199,228	149,319
Deferred tax liabilities	60,256	58,475	-	-
Non current liabilities	432,799	385,803	199,228	149,319
Trade payables	3,399	3,542	-	-
Other payables and accruals	32,294	38,886	7,434	13,778
Loans and borrowings	72,829	20,957	50,779	809
Amounts due to subsidiaries (non-trade)	-	-	14,449	14,447
Amounts due to related parties	39,124	301	-	-
Provision for taxation	2,210	1,862	60	123
Derivative financial liabilities	2,139	884	1,990	884
Current liabilities	151,995	66,432	74,712	30,041
Total liabilities	584,794	452,235	273,940	179,360
Total equity and liabilities	1,063,286	930,338	612,463	551,327

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30 June 2018			As at 31 December 2017		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
72,829	-	72,829	20,957	-	20,957

Amount repayable after one year

As at 30 June 2018			As at 31 December 2017		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
193,612	178,931	372,543	198,068	129,260	327,328

Total borrowings

As at 30 June 2018			As at 31 December 2017		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
266,441	178,931	445,372	219,025	129,260	348,285
- Attributable to owners of the Company		406,698	- Attributable to owners of the Company		308,978
- Attributable to non-controlling interests		38,674	- Attributable to non-controlling interests		39,307

Less: Cash and cash equivalents

As at 30 June 2018			As at 31 December 2017		
S\$'000			S\$'000		
157,690			236,684		
		S\$'000			S\$'000
- Attributable to owners of the Company		144,658	- Attributable to owners of the Company		223,705
- Attributable to non-controlling interests		13,032	- Attributable to non-controlling interests		12,979

Net borrowings

As at 30 June 2018			As at 31 December 2017		
S\$'000			S\$'000		
287,682			111,601		
		S\$'000			S\$'000
- Attributable to owners of the Company		262,040	- Attributable to owners of the Company		85,273
- Attributable to non-controlling interests		25,642	- Attributable to non-controlling interests		26,328

Details of any collateral

As at 30 June 2018, the Group's borrowings were secured by legal charges on the Group's development properties of \$92.8 million (2017: \$85.5 million), property, plant and equipment of \$206.7 million (2017: \$192.5 million), and pledge of fixed deposits and bank balances of S\$87.2 million (2017: S\$38.6 million).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	2nd Quarter Ended 30 June 2018	2017	Half Year Ended 30 June 2018	2017
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the period	2,408	74,031	4,101	72,367
Adjustment for:				
Depreciation of property, plant & equipment	2,634	2,261	5,217	4,443
Interest expense	4,781	5,219	9,085	11,234
Interest income	(399)	(612)	(946)	(1,963)
Write back of allowance for inventory obsolescence	-	(1)	(1)	(4)
Loss on disposal of property, plant & equipment	4	27	4	33
Reversal of impairment loss on trade receivables	-	-	(1)	(1)
Unrealised foreign exchange (gain)/loss arising from revaluation of fixed deposit pledged	34	3,470	(230)	12,829
Gain on disposal of a subsidiary	-	(74,923)	-	(74,923)
Share of profit of equity-accounted investee	(1,883)	(1,445)	(3,431)	(1,907)
Net change in fair value of financial derivatives	(665)	(3,475)	(610)	(12,352)
Tax expense	1,137	771	2,817	1,530
Operating profit before working capital changes	8,051	5,323	16,005	11,286
Change in				
Development property	(6,567)	(7,235)	(11,386)	28,978
Inventories	5	(83)	62	(108)
Trade and other receivables	1,215	(4,172)	1,768	(14,366)
Trade and other payables	(2,265)	12,164	(7,226)	10,498
Cash from/(used in) operations	439	5,997	(777)	36,288
Tax paid, net	(960)	(446)	(2,351)	(1,275)
Net cash (used in)/ from operating activities	(521)	5,551	(3,128)	35,013
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,007)	(861)	(2,791)	(1,076)
Acquisition of equity accounted investee	-	-	-	(40,974)
Payment for acquisition of other investments	-	-	(79,517)	-
Deposits and cash balances pledged	80,775	250,762	(48,425)	251,396
Interest received	345	3,818	1,064	4,262
Disposal of a subsidiary, net of cash disposed of	-	16,678	-	16,678
Acquisition of subsidiary, net of cash acquired	(55,521)	-	(55,521)	-
Net cash from/(used in) investing activities	23,592	270,397	(185,190)	230,286

	GROUP		GROUP	
	2nd Quarter Ended 30 June		Half Year Ended 30 June	
	2018	2017	2018	2017
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Finance expense paid (including amounts capitalised in development property)	(6,144)	(9,527)	(8,652)	(15,080)
Proceeds of finance lease obligations	-	251	-	251
Payment of finance lease obligations	(113)	(91)	(225)	(180)
Proceeds from borrowings	102,086	-	233,442	34,344
Repayment of borrowings	(133,286)	(251,322)	(139,807)	(259,138)
Dividends paid	(24,487)	-	(24,487)	-
Net cash (used in)/ from financing activities	(61,944)	(260,689)	60,271	(239,803)
Net (decrease)/increase in cash and cash equivalents	(38,873)	15,259	(128,047)	25,496
Effect of exchange rate changes on balances held in foreign currencies	(58)	(99)	399	56
Cash and cash equivalents at beginning of the period	109,404	55,712	198,121	45,320
Cash and cash equivalents at end of the period (Note A)	70,473	70,872	70,473	70,872

	GROUP		GROUP	
	2nd Quarter Ended 30 June		Half Year Ended 30 June	
	2018	2017	2018	2017
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Note A: Cash and cash equivalents comprise:				
Fixed deposits	115,969	66,041	115,969	66,041
Cash and bank balances	41,721	12,401	41,721	12,401
	157,690	78,442	157,690	78,442
Less: fixed deposits and cash balances pledged	(87,217)	(7,570)	(87,217)	(7,570)
Cash and cash equivalents	70,473	70,872	70,473	70,872

1(d)(i) A statement (for the company and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in Equity as at 30 June 2018

Group	Attributable to owners of Company									Non-controlling interest	Total Equity
	Share capital	Treasury Shares	Asset			Fair value reserves	Accumulated profits	Total	S\$'000		
			revaluation reserves	Translation reserves	Hedging reserves						
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2018	343,458	(5,131)	4,132	(34,685)	-	-	112,182	419,956	58,147	478,103	
Total comprehensive income for the year											
Profit for the period	-	-	-	-	-	-	1,108	1,108	585	1,693	
Other comprehensive income											
Net change in fair value of other investments	-	-	-	-	-	(3,416)	-	(3,416)	-	(3,416)	
Share of foreign currency translation differences of equity-accounted investees	-	-	-	1,001	-	-	-	1,001	-	1,001	
Foreign currency translation differences relating to foreign operations	-	-	-	5,734	-	-	-	5,734	1,708	7,442	
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	3,033	-	-	-	3,033	-	3,033	
Total other comprehensive income, net of tax	-	-	-	9,768	-	(3,416)	-	6,352	1,708	8,060	
Total comprehensive income for the year	-	-	-	9,768	-	(3,416)	1,108	7,460	2,293	9,753	
As at 31 March 2018	343,458	(5,131)	4,132	(24,917)	-	(3,416)	113,290	427,416	60,440	487,856	
Total comprehensive income for the year											
Profit for the period	-	-	-	-	-	-	2,210	2,210	198	2,408	
Other comprehensive income											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(1,865)	-	-	(1,865)	-	(1,865)	
Net change in fair value of other investments	-	-	-	-	-	154	-	154	-	154	
Share of foreign currency translation differences of equity-accounted investees	-	-	-	31	-	-	-	31	-	31	
Foreign currency translation differences relating to foreign operations	-	-	-	(499)	-	-	-	(499)	(211)	(710)	
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(1,824)	-	-	-	(1,824)	-	(1,824)	
Total other comprehensive income, net of tax	-	-	-	(2,292)	(1,865)	154	-	(4,003)	(211)	(4,214)	
Total comprehensive income for the year	-	-	-	(2,292)	(1,865)	154	2,210	(1,793)	(13)	(1,806)	
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Dividend paid	-	-	-	-	-	-	(24,487)	(24,487)	-	(24,487)	
Total contributions by and distributions to owners	-	-	-	-	-	-	(24,487)	(24,487)	-	(24,487)	
Changes in ownership interests in a subsidiary											
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	16,929	16,929	
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	16,929	16,929	
As at 30 June 2018	343,458	(5,131)	4,132	(27,209)	(1,865)	(3,262)	91,013	401,136	77,356	478,492	

Statement of changes in Equity as at 30 June 2017

Group	Attributable to owners of Company							Non-controlling interest	Total Equity
	Share capital	Treasury Shares	Asset		Accumulated profits	Total	S\$'000		
			revaluation reserves	Translation reserves					
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
At 1 January 2017	343,458	(5,131)	4,132	(41,011)	44,235	345,683	92,451	438,134	
Total comprehensive income for the year									
Loss for the period	-	-	-	-	(1,350)	(1,350)	(314)	(1,664)	
Other comprehensive income									
Foreign currency translation differences relating to foreign operations	-	-	-	(4,312)	-	(4,312)	(1,234)	(5,546)	
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(1,421)	-	(1,421)	-	(1,421)	
Total other comprehensive income, net of tax	-	-	-	(5,733)	-	(5,733)	(1,234)	(6,967)	
Total comprehensive income for the year	-	-	-	(5,733)	(1,350)	(7,083)	(1,548)	(8,631)	
As at 31 March 2017	343,458	(5,131)	4,132	(46,744)	42,885	338,600	90,903	429,503	
Total comprehensive income for the year									
Profit for the period	-	-	-	-	71,677	71,677	2,354	74,031	
Other comprehensive income									
Foreign currency translation differences realised on disposal of a subsidiary	-	-	-	930	-	930	-	930	
Foreign currency translation differences relating to foreign operations	-	-	-	3,047	-	3,047	941	3,988	
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	1,096	-	1,096	-	1,096	
Total other comprehensive income, net of tax	-	-	-	5,073	-	5,073	941	6,014	
Total comprehensive income for the year	-	-	-	5,073	71,677	76,750	3,295	80,045	
Transactions with owners, recognised directly in equity									
Changes in ownership interests in a subsidiary									
Disposal of a subsidiary with non-controlling interests	-	-	-	-	-	-	(38,827)	(38,827)	
Total transactions with owners	-	-	-	-	-	-	(38,827)	(38,827)	
As at 30 June 2017	343,458	(5,131)	4,132	(41,671)	114,562	415,350	55,371	470,721	

Statements of changes in Equity as at 30 June 2018**Company**

	Share capital S\$'000	Treasury Share S\$'000	Hedging reserves S\$'000	Fair value reserves S\$'000	Accumulated (losses)/profit S\$'000	Total S\$'000
As at 1 January 2018	343,458	(5,131)	-	-	33,640	371,967
Total comprehensive income for the year						
Loss for the period	-	-	-	-	(2,131)	(2,131)
Other comprehensive income						
Net change in fair value of other investments	-	-	-	(3,416)	-	(3,416)
Total other comprehensive income, net of tax	-	-	-	(3,416)	-	(3,416)
Total comprehensive income for the year	-	-	-	(3,416)	(2,131)	(5,547)
As at 31 March 2018	343,458	(5,131)	-	(3,416)	31,509	366,420
Total comprehensive income for the year						
Loss for the period	-	-	-	-	(1,699)	(1,699)
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges	-	-	(1,865)	-	-	(1,865)
Net change in fair value of other investments	-	-	-	154	-	154
Total other comprehensive income, net of tax	-	-	(1,865)	154	-	(1,711)
Total comprehensive income for the year	-	-	(1,865)	154	(1,699)	(3,410)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Dividend paid	-	-	-	-	(24,487)	(24,487)
Total contributions by and distributions to owners	-	-	-	-	(24,487)	(24,487)
As at 30 June 2018	343,458	(5,131)	(1,865)	(3,262)	5,323	338,523
Statements of changes in Equity as at 30 June 2017						
As at 1 January 2017	343,458	(5,131)	-	-	(26,258)	312,069
Total comprehensive income for the year						
Loss for the period	-	-	-	-	(2,410)	(2,410)
Total comprehensive income for the year	-	-	-	-	(2,410)	(2,410)
As at 31 March 2017	343,458	(5,131)	-	-	(28,668)	309,659
Total comprehensive income for the year						
Profit for the period	-	-	-	-	86,491	86,491
Total comprehensive income for the year	-	-	-	-	86,491	86,491
As at 30 June 2017	343,458	(5,131)	-	-	57,823	396,150

1(d)(ii) 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Details changes in the company's share capital arising from share buy-backs are as follows:

	Number of shares issued and fully paid	Share capital S\$'000	Number of treasury shares	Treasury shares S\$'000
As at 1 January / 31 March / 30 June 2018	1,977,036,050	343,458	(18,102,700)	(5,131)
As at 1 January / 31 March / 30 June 2017	1,977,036,050	343,458	(18,102,700)	(5,131)

The percentage of the aggregate number of treasury shares held against the total number of shares issued as at 30 June 2018 and 30 June 2017 is 0.92%.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.06.2018
Total number of issued shares	1,977,036,050
Total number of treasury shares	(18,102,700)
Total number of issued shares (excluding treasury shares)	<u>1,958,933,350</u>
	30.06.2017
Total number of issued shares	1,977,036,050
Total number of treasury shares	(18,102,700)
Total number of issued shares (excluding treasury shares)	<u>1,958,933,350</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) First-time Adoption of International Financial Reporting Standards.

In addition, during the current financial year, the Group has adopted the following new SFRS(I), amendments and interpretations of SFRS(I) which took effect from financial year beginning from 1 January 2018:

- SFRS(I) 9 Financial Instruments
- Amendments to SFRS(I) I-28 Measuring an Associate or Joint Venture at Fair Value
- Amendments to SFRS(I) I-40 Transfers of Investment Property
- Amendments to SFRS(I) I Deletion of short-term exemptions for first-time adopters

The adoption of the above SFRS(I), amendments and interpretations of SFRS(I) is assessed to have no material impact to the results and financial position of the Group.

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

	2nd Quarter Ended 30 June			6 Months Ended 30 June		
	30.06.2018	30.06.2017	+/- %	30.06.2018	30.06.2017	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
i) Based on weighted average number of shares (cents)	0.113	3.659	-97%	0.169	3.590	-95%
-Weighted average number of shares ('000)	1,958,933	1,958,933		1,958,933	1,958,933	
ii) On a fully diluted basis (cents)	0.113	3.659	-97%	0.169	3.590	-95%
-Adjusted weighted average number of shares ('000)	1,958,933	1,958,933		1,958,933	1,958,933	

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group			Company		
	30.06.2018 (S\$ cents)	31.12.2017 (S\$ cents)	+/- %	30.06.2018 (S\$ cents)	31.12.2017 (S\$ cents)	+/- %
Net asset value per ordinary share	20.48	21.38	-4.2%	17.28	18.99	-9.0%

8. **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

The Group recorded revenue of S\$22.9 million in Q2 2018, compared to S\$30.6 million in Q2 2017, and an operating profit of S\$7.1 million in Q2 2018, compared to S\$80.4 million in Q2 2017. It posted a net profit after tax of S\$2.4 million in Q2 2018, compared to S\$74.0 million in Q2 2017.

In Q2 2018, our property business registered revenue of S\$5.6 million, compared to S\$13.2 million in Q2 2017. Strong interest was received from the Group's Coral Bay project in Kota Kinabalu, Malaysia. Upon conversion to sales, the revenue will be progressively recognized over the development period of the project, targeted from FY2019.

Despite the increased competition from newly-opened hotels in Kota Kinabalu, Sabah, our hospitality business maintained its revenue at S\$17.3 million in Q2 2018, compared to S\$17.2 million in Q2 2017.

The decrease in Other Income of S\$75.9 million in Q2 2018, compared to Q2 2017, was due mainly to the absence of a one-off gain of S\$74.9 million recognized from the disposal of its 51% owned subsidiary, Plaza Ventures Pte Ltd in Q2 2017.

Administrative expenses in Q2 2018 were lower by S\$2.5 million to S\$6.3 million, compared to S\$8.8 million in Q2 2017, due mainly to the decrease in personnel expenses.

The Group had entered into a loan and deposit arrangement ("LDA") with a bank, which had a foreign exchange exposure that was fully hedged with a financial derivative. The LDA lapsed in Q2 2017. Consequently, there was a reduction of the exchange loss, net change in fair value of financial derivatives, finance expenses and finance income.

Balance Sheet

In 1H 2018, the Group held treasury investments which yielded dividend income amounting to S\$0.6 million (this was recorded under "Other Income"). As at 30 June 2018, the investments were fair valued at S\$18.9 million.

Similarly, the Group had also invested in various fixed-tenure principal-protected securities in Q1 2018, to earn a yield on unutilised cash balances. As of 30 June 2018, these investments were fair valued at S\$57.4 million.

Accordingly, the total investments of both treasury investments and principal-protected securities, of S\$76.3 million were recorded as "Other Investments" in the Balance Sheet.

In Q2 2018, the Group invested S\$55.6 million for a 50% stake in Aspirasi Kukuh Sdn Bhd ("AKSB"), via the subscription of new shares and shareholders' loan (in equal proportion as the other 50% partner of AKSB). AKSB is the beneficial owner of a piece of land with 99 years tenure, located in Kuala Lumpur, Malaysia. Upon consolidation, the development property and amount due to related parties have increased.

The increase in loans and borrowings, from S\$347.9 million as at 31 December 2017, to S\$444.9 million as at 30 June 2018, was due mainly to proceeds received from the issuance of S\$50.0 million, 5.15% fixed-rate notes due in 2021 under the Company's multicurrency medium term note programme.

Cash Flow Analysis

For the second quarter ended 30 June 2018, the operating profit before working capital changes, was S\$8.3 million. However, after adjusting for working capital changes, the Group recorded a net cash outflow from operating activities of S\$0.5 million.

The Group registered a net cash inflow from investing activities of S\$23.6 million, which was due mainly to the decrease in deposit and cash balances pledged of S\$80.8 million less payment made for investment in AKSB of about S\$56.0 million.

The Group recorded a net cash outflow from financing activities of S\$61.9 million, which was due mainly to the net reduction of borrowings of S\$31.2 million, as well as S\$24.5 million in dividends paid out.

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

Not applicable.

10. 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.

There are no new significant trends and competitive conditions.

11. 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

12. If no dividend have been declared/recommended, a statement to that effect.

No dividend has been declared in respect of the current financial period.

13. 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.

14. Segment Analysis**SEGMENT ANALYSIS**

	Half Year Ended 30 June 2018				Half Year Ended 30 June 2017			
	Hospitality S\$'000	Property S\$'000	Others* S\$'000	Total S\$'000	Hospitality S\$'000	Property S\$'000	Others* S\$'000	Total S\$'000
Segment revenue	38,036	9,311	2,045	49,392	34,941	17,185	1,716	53,842
Elimination of inter-segment revenue	-	-	(2,045)	(2,045)	-	(650)	(1,634)	(2,284)
External revenue	38,036	9,311	-	47,347	34,941	16,535	82	51,558
Interest income	189	249	508	946	193	59	1,711	1,963
Interest expense	(4,163)	(499)	(4,423)	(9,085)	(4,211)	(3,578)	(3,445)	(11,234)
Depreciation	(4,287)	(599)	(331)	(5,217)	(4,003)	(307)	(133)	(4,443)
Reportable segment profit/(loss) before tax	8,028	5,126	(6,236)	6,918	6,828	75,624	(8,555)	73,897
Tax expense	(2,397)	(420)	-	(2,817)	(2,037)	507	-	(1,530)
Reportable segment profit/(loss) after tax	5,631	4,706	(6,236)	4,101	4,791	76,131	(8,555)	72,367
Share of profit of equity-accounted investee	-	3,431	-	3,431	-	1,907	-	1,907
Reportable segment assets	399,941	450,206	213,139	1,063,286	387,380	393,534	93,530	874,444
Reportable segment liabilities	(210,302)	(115,000)	(259,492)	(584,794)	(211,631)	(45,280)	(146,812)	(403,723)

* General corporate activities

Geographical Information

	Revenue		Non-current assets	
	Half Year ended 30 June		Half Year ended 30 June	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Malaysia	47,347	34,941	383,995	370,012
China	-	-	63,102	42,881
Singapore	-	16,617	103,327	25,952
Middle East	-	-	5,367	5,845
Total	47,347	51,558	555,791	444,690

SEGMENT ANALYSIS

	3 Months Ended 30 June 2018				3 Months Ended 30 June 2017			
	Hospitality S\$'000	Property S\$'000	Others* S\$'000	Total S\$'000	Hospitality S\$'000	Property S\$'000	Others* S\$'000	Total S\$'000
Segment revenue	17,336	5,609	1,295	24,240	17,204	13,272	965	31,441
Elimination of inter-segment revenue	-	-	(1,295)	(1,295)	-	-	(884)	(884)
External revenue	17,336	5,609	-	22,945	17,204	13,272	81	30,557
Interest income	95	134	170	399	90	24	498	612
Interest expense	(2,073)	(248)	(2,460)	(4,781)	(2,098)	(1,567)	(1,554)	(5,219)
Depreciation	(2,145)	(322)	(167)	(2,634)	(2,023)	(155)	(83)	(2,261)
Reportable segment profit/(loss) before tax	2,611	2,975	(2,041)	3,545	3,147	77,482	(5,827)	74,802
Tax expense	(772)	(365)	-	(1,137)	(973)	202	-	(771)
Reportable segment profit/(loss) after tax	1,839	2,610	(2,041)	2,408	2,174	77,684	(5,827)	74,031
Share of profit of equity-accounted investee	-	1,883	-	1,883	-	1,445	-	1,445
Reportable segment assets	399,941	450,206	213,139	1,063,286	387,380	393,534	93,530	874,444
Reportable segment liabilities	(210,302)	(115,000)	(259,492)	(584,794)	(211,631)	(45,280)	(146,812)	(403,723)

* General corporate activities

Geographical Information

	Revenue		Non-current assets	
	3 months ended 30 June 2018 S\$'000	3 months ended 30 June 2017 S\$'000	3 months ended 30 June 2018 S\$'000	3 months ended 30 June 2017 S\$'000
Malaysia	22,945	17,204	383,995	370,012
China	-	-	63,102	42,881
Singapore	-	13,353	103,327	25,952
Middle East	-	-	5,367	5,845
Total	22,945	30,557	555,791	444,690

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

We, Gilbert Ee Guan Hui and Kenneth Goi Kok Ming, being the two Executive Directors of GSH Corporation Limited, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 2Q2018 financial results to be false or misleading in any material respect.

16. 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.

BY ORDER OF THE BOARD

Lee Tiong Hock
Company Secretary
13 August 2018