


**GSH CORPORATION LIMITED**
**First Quarter Financial Statements for the Period Ended 31/03/2019**
**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 1st Quarter and 3 Months Ended 31 March

	1st Quarter Ended 31 March		
	31.3.2019	31.3.2018	+/-
	Unaudited S\$'000	Unaudited S\$'000	%
Revenue	26,248	24,402	7.6%
Cost of sales	(11,178)	(9,507)	17.6%
<b>Gross profit</b>	15,070	14,895	1.2%
<b>Gross profit margin</b>	57%	61%	(6.5%)
Other income	702	496	41.5%
Distribution and selling expenses	(692)	(697)	(0.7%)
Administrative expenses	(6,386)	(5,987)	6.7%
Other expenses	(7)	-	Nm
<b>Operating profit</b>	8,687	8,707	(0.2%)
Amortisation and depreciation	(2,779)	(2,583)	7.6%
Exchange loss	(6)	(487)	(98.8%)
Finance expenses	(5,516)	(4,304)	28.2%
Finance income	524	547	(4.2%)
Net change in fair value of financial derivatives	(671)	(55)	Nm
Share of profit of equity-accounted investee	1,583	1,548	2.3%
<b>Profit before tax</b>	1,822	3,373	(46.0%)
Taxation	(542)	(1,680)	(67.7%)
<b>Profit for the period</b>	1,280	1,693	(24.4%)
<b>Attributable to:</b>			
Owners of the Company	329	1,108	(70.3%)
Non-controlling interests	951	585	62.6%
	1,280	1,693	(24.4%)

	1st Quarter Ended 31 March		
	31.3.2019 Unaudited S\$'000	31.3.2018 Unaudited S\$'000	+/- %
<b>Profit for the period</b>	1,280	1,693	(24.4%)
<b>Other comprehensive income:</b>			
<b><u>Items that will not be reclassified to profit or loss:</u></b>			
Equity investments at fair value through other comprehensive income - net change in fair value	1,927	(379)	Nm
<b><u>Items that are or may be reclassified subsequently to profit or loss:</u></b>			
Debt investments at fair value through other comprehensive income - net change in fair value	1,129	(3,037)	Nm
Effective portion of changes in fair value of cash flow hedges	498	-	Nm
Exchange differences on monetary items forming part of net investments in a foreign operation	793	3,033	(73.9%)
Foreign currency translation differences relating to foreign operations	1,773	7,442	(76.2%)
Share of foreign currency translation differences of equity-accounted investees	1,617	1,001	61.5%
<b>Total comprehensive income for the period</b>	<b>9,017</b>	<b>9,753</b>	<b>(7.5%)</b>
<b>Attributable to:</b>			
Owners of the Company	7,594	7,460	1.8%
Non-controlling interests	1,423	2,293	(37.9%)
	<b>9,017</b>	<b>9,753</b>	<b>(7.5%)</b>

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:

	<b>1st Quarter Ended 31 March</b>		
	<b>31.03.2019</b> <b>Unaudited</b> <b>S\$'000</b>	<b>31.03.2018</b> <b>Unaudited</b> <b>S\$'000</b>	<b>+/-</b> <b>%</b>
Personnel expenses*	6,795	6,627	2.5%
Operating lease expenses	162	177	(8.5%)
Non-executive directors' fees	88	88	0.0%
Executive directors' remuneration	381	360	5.8%
Depreciation of property, plant & equipment	2,779	2,583	7.6%
Foreign exchange loss	6	487	(98.8%)
Rental income	(226)	(74)	Nm
Write back of allowance for inventory obsolescence	(1)	(1)	0.0%
Reversal of impairment loss on trade receivables	(6)	(1)	Nm
Dividend income from investments	(235)	(256)	(8.2%)
Loss on disposal of property, plant and equipment	7	-	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 31 MARCH**

	Group		Company	
	31.03.2019 Unaudited S\$'000	31.12.2018 Audited S\$'000	31.03.2019 Unaudited S\$'000	31.12.2018 Audited S\$'000
<b>ASSETS</b>				
Property, plant and equipment	411,586	410,011	29,216	29,381
Investment property	4,910	4,952	-	-
Subsidiaries	-	-	291	291
Associate	66,101	62,901	-	-
Other investments	79,734	75,435	79,734	75,435
Other receivables	1,853	1,846	-	-
<b>Non-current assets</b>	<b>564,184</b>	<b>555,145</b>	<b>109,241</b>	<b>105,107</b>
Development properties	295,057	291,007	-	-
Contract costs	41,053	40,654	-	-
Contract assets	13,994	12,777	-	-
Inventories	927	946	-	-
Trade receivables	5,912	3,130	21	17
Other receivables, deposits and prepayments	6,820	5,497	2,493	1,174
Amounts due from subsidiaries (non-trade)	-	-	438,792	430,904
Amounts due from related parties	571	567	-	-
Time deposits	46,058	8,989	40,000	-
Cash and cash equivalents	63,143	126,676	24,656	83,138
Derivatives financial assets	-	41	-	-
<b>Current assets</b>	<b>473,535</b>	<b>490,284</b>	<b>505,962</b>	<b>515,233</b>
<b>Total assets</b>	<b>1,037,719</b>	<b>1,045,429</b>	<b>615,203</b>	<b>620,340</b>
<b>EQUITY</b>				
Share capital	343,458	343,458	343,458	343,458
Treasury shares	(5,131)	(5,131)	(5,131)	(5,131)
Reserves	(31,516)	(38,781)	(1,026)	(4,580)
Accumulated profits/ (losses)	77,596	77,267	(3,788)	(260)
<b>Equity attributable to equity holders of the Company</b>	<b>384,407</b>	<b>376,813</b>	<b>333,513</b>	<b>333,487</b>
Non-controlling interests	79,350	77,927	-	-
<b>Total equity</b>	<b>463,757</b>	<b>454,740</b>	<b>333,513</b>	<b>333,487</b>
<b>LIABILITIES</b>				
Contract liabilities	981	975	-	-
Loans and borrowings	341,463	306,980	181,642	141,798
Deferred tax liabilities	58,491	58,647	-	-
<b>Non current liabilities</b>	<b>400,935</b>	<b>366,602</b>	<b>181,642</b>	<b>141,798</b>
Trade payables	4,227	5,278	-	200
Other payables and accruals	32,088	28,898	4,257	2,333
Contract liabilities	4,085	4,881	-	-
Amounts due to subsidiaries (non-trade)	-	-	14,946	14,956
Amounts due to related parties	38,543	38,182	-	-
Derivative financial liabilities	131	-	171	268
Loans and borrowings	93,928	146,386	80,614	127,238
Current tax liabilities	25	462	60	60
<b>Current liabilities</b>	<b>173,027</b>	<b>224,087</b>	<b>100,048</b>	<b>145,055</b>
<b>Total liabilities</b>	<b>573,962</b>	<b>590,689</b>	<b>281,690</b>	<b>286,853</b>
<b>Total equity and liabilities</b>	<b>1,037,719</b>	<b>1,045,429</b>	<b>615,203</b>	<b>620,340</b>

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

As at 31 March 2019			As at 31 December 2018		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
13,957	79,971	93,928	66,459	79,927	146,386

**Amount repayable after one year**

As at 31 March 2019			As at 31 December 2018		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
182,106	159,357	341,463	187,712	119,268	306,980

**Total borrowings**

As at 31 March 2019			As at 31 December 2018		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
196,063	239,328	435,391	254,171	199,195	453,366
- Attributable to owners of the Company		407,844	- Attributable to owners of the Company		424,754
- Attributable to non-controlling interests		27,547	- Attributable to non-controlling interests		28,612

**Less: Cash and cash equivalents**

As at 31 March 2019		As at 31 December 2018	
S\$'000		S\$'000	
109,201		135,665	
- Attributable to owners of the Company		107,343	- Attributable to owners of the Company
- Attributable to non-controlling interests		1,858	- Attributable to non-controlling interests
			132,679
			2,986

**Net borrowings**

As at 31 March 2019		As at 31 December 2018	
S\$'000		S\$'000	
326,190		317,701	
- Attributable to owners of the Company		300,501	- Attributable to owners of the Company
- Attributable to non-controlling interests		25,689	- Attributable to non-controlling interests
			292,075
			25,626

**Details of any collateral**

As at 31 March 2019, the Group's borrowings were secured by legal charges on the Group's development properties of S\$176.6 million (2018: S\$171.9 million), property, plant and equipment of S\$188.0 million (2018: S\$187.6 million), time deposits of S\$6.1 million (2018: Nil) and cash and cash equivalents of S\$33.1 million (2018: S\$43.6 million).

\*Including redeemable preference shares

**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**

	<b>GROUP</b>	
	<b>1st Quarter Ended 31 March 2019</b>	<b>2018</b>
	<b>Unaudited S\$'000</b>	<b>Unaudited S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit for the period	1,280	1,693
Adjustment for:		
Depreciation of property, plant & equipment	2,779	2,583
Interest expense	5,516	4,304
Interest income	(524)	(547)
Write back of allowance for inventory obsolescence	(1)	(1)
Loss on disposal of property, plant & equipment	7	-
Reversal of impairment loss on trade receivables	(6)	(1)
Net foreign exchange gain arising from revaluation of fixed deposit pledged	(36)	(264)
Share of profit of equity-accounted investee	(1,583)	(1,548)
Dividend income	(235)	(256)
Net change in fair value of financial derivatives	671	55
Tax expense	542	1,680
Operating profit before working capital changes	8,410	7,698
Change in		
Development properties, contract costs and contracts assets	(5,316)	(4,819)
Inventories	20	57
Trade and other receivables	(3,924)	553
Trade and other payables and contract liabilities	(849)	(4,961)
Balances with related parties	105	-
<b>Cash from operations</b>	(1,554)	(1,472)
Tax paid, net	(1,536)	(1,391)
<b>Net cash used in operating activities</b>	(3,090)	(2,863)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,529)	(784)
Acquisition of other investments	-	(79,517)
Deposits pledged	10,519	(129,200)
Placement of bank deposits	(37,069)	-
Interest received	343	719
Dividend received	235	256
<b>Net cash used in investing activities</b>	(27,501)	(208,526)

	<b>GROUP</b>	
	<b>1st Quarter Ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	S\$'000	S\$'000
<b>Cash flows from financing activities</b>		
Interest paid	(2,987)	(2,508)
Payment of lease liabilities	(125)	(112)
Proceeds from borrowings	46,101	131,356
Repayment of borrowings	(65,533)	(6,521)
<b>Net cash (used in)/ from financing activities</b>	<b>(22,544)</b>	<b>122,215</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(53,135)</b>	<b>(89,173)</b>
Effect of exchange rate changes on balances held in foreign currencies	85	457
<b>Cash and cash equivalents at beginning of the period</b>	<b>83,108</b>	<b>198,121</b>
<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>30,058</b>	<b>109,404</b>

	<b>GROUP</b>	
	<b>1st Quarter Ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	S\$'000	S\$'000
<b>Note A: Cash and cash equivalents comprise:</b>		
Cash and cash equivalents in the statement of financial position	63,143	277,431
Less: fixed deposits and cash balances pledged	(33,085)	(168,027)
Cash and cash equivalents in the statement of cash flows	30,058	109,404
Time deposits (tenure more than 3 months)	46,058	-
Cash and cash equivalents and time deposits	76,116	109,404

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 31 March 2019**

Group	Attributable to owners of Company							Non-controlling interest	Total Equity	
	Share capital	Treasury Shares	Asset			Fair value reserves	Accumulated profits			Total
			revaluation reserves	Translation reserves	Hedging reserves					
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<b>As at 1 January 2019</b>	<b>343,458</b>	<b>(5,131)</b>	<b>4,132</b>	<b>(38,333)</b>	<b>(498)</b>	<b>(4,082)</b>	<b>77,267</b>	<b>376,813</b>	<b>77,927</b>	<b>454,740</b>
<b>Total comprehensive income for the year</b>										
Profit for the period	-	-	-	-	-	-	329	329	951	1,280
<b>Other comprehensive income:</b>										
Foreign currency translation differences relating to foreign operations	-	-	-	1,301	-	-	-	1,301	472	1,773
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	793	-	-	-	793	-	793
Share of foreign currency translation differences of equity-accounted investees	-	-	-	1,617	-	-	-	1,617	-	1,617
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	498	-	-	498	-	498
Net change in fair value:-										
equity investments at fair value through other comprehensive income	-	-	-	-	-	1,927	-	1,927	-	1,927
debt investments at fair value through other comprehensive income	-	-	-	-	-	1,129	-	1,129	-	1,129
Total other comprehensive income, net of tax	-	-	-	3,711	498	3,056	-	7,265	472	7,737
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,711</b>	<b>498</b>	<b>3,056</b>	<b>329</b>	<b>7,594</b>	<b>1,423</b>	<b>9,017</b>
<b>As at 31 March 2019</b>	<b>343,458</b>	<b>(5,131)</b>	<b>4,132</b>	<b>(34,622)</b>	<b>-</b>	<b>(1,026)</b>	<b>77,596</b>	<b>384,407</b>	<b>79,350</b>	<b>463,757</b>



**Statement of changes in Equity as at 31 March 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						
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>As at 1 January 2018</b>	<b>343,458</b>	<b>(5,131)</b>	<b>4,132</b>	<b>(34,685)</b>	<b>-</b>	<b>112,182</b>	<b>419,956</b>	<b>58,147</b>	<b>478,103</b>	
<b>Total comprehensive income for the year</b>										
Profit for the period	-	-	-	-	-	1,108	1,108	585	1,693	
<b>Other comprehensive income:</b>										
Net change in fair value-										
equity investments at FVOCI	-	-	-	-	(379)	-	(379)	-	(379)	
debt investments at FVOCI	-	-	-	-	(3,037)	-	(3,037)	-	(3,037)	
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	5,734	-	-	5,734	1,708	7,442	
Share of foreign currency translation differences of equity-accounted investees	-	-	-	1,001	-	-	1,001	-	1,001	
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	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,768</b>	<b>(3,416)</b>	<b>1,108</b>	<b>7,460</b>	<b>2,293</b>	<b>9,753</b>	
<b>As at 31 March 2018</b>	<b>343,458</b>	<b>(5,131)</b>	<b>4,132</b>	<b>(24,917)</b>	<b>(3,416)</b>	<b>113,290</b>	<b>427,416</b>	<b>60,440</b>	<b>487,856</b>	

## Statements of changes in Equity as at 31 March 2019

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
<b>As at 1 January 2019</b>	343,458	(5,131)	(498)	(4,082)	(260)	333,487
<b>Total comprehensive income for the year</b>						
Loss for the period	-	-	-	-	(3,528)	(3,528)
<b>Other comprehensive income</b>						
Effective portion of changes in fair value of cash flow hedges	-	-	498	-	-	498
Net change in fair value-						
equity investments at FVOCI	-	-	-	1,927	-	1,927
debt investments at FVOCI	-	-	-	1,129	-	1,129
Total other comprehensive income, net of tax	-	-	498	3,056	-	3,554
<b>Total comprehensive income for the year</b>	-	-	<b>498</b>	<b>3,056</b>	<b>(3,528)</b>	<b>26</b>
<b>As at 31 March 2019</b>	<b>343,458</b>	<b>(5,131)</b>	-	<b>(1,026)</b>	<b>(3,788)</b>	<b>333,513</b>
<b>As at 1 January 2018</b>	343,458	(5,131)	-	-	33,640	371,967
<b>Total comprehensive income for the year</b>						
Loss for the period	-	-	-	-	(2,131)	(2,131)
<b>Other comprehensive income</b>						
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-
Net change in fair value-						
equity investments at FVOCI	-	-	-	(379)	-	(379)
debt investments at FVOCI	-	-	-	(3,037)	-	(3,037)
Total other comprehensive income, net of tax	-	-	-	(3,416)	-	(3,416)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(3,416)</b>	<b>(2,131)</b>	<b>(5,547)</b>
<b>As at 31 March 2018</b>	<b>343,458</b>	<b>(5,131)</b>	-	<b>(3,416)</b>	<b>31,509</b>	<b>366,420</b>

**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 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.**

There is no change in the Company's share capital since 1 January 2017.

**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.**

	<b>31.03.2019</b>
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>
	<b>31.03.2018</b>
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 2018.

**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.**

The Group has adopted *SFRS (I) 16 Leases* for the financial period beginning 1 January 2019 using the modified retrospective approach of which the right-of use ("ROU") assets recognised at date of initial application are equal to their lease liabilities with no restatement to the comparative information.

The Group applied the practical expedient to grandfather the definition of a lease on transition of which the Group applied *SFRS(I) 16* to all contracts entered into before 1 January 2019 and identified as leases in accordance with *SFRS(I) 1-17 and SFRS(I) INT 4*. On 1 January 2019, the effect on adoption of *SFRS (I) 16* an increase in ROU assets of \$336,000 and an increase in lease liabilities of \$336,000.

**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.**

	1st Quarter Ended 31 March		
	31.03.2019	31.03.2018	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-			
i) Based on weighted average number of shares (cents)	0.017	0.057	-70.2%
-Weighted average number of shares ('000)	1,958,933	1,958,933	
ii) On a fully diluted basis (cents)	0.017	0.057	-70.2%
-Adjusted weighted average number of shares ('000)	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		
	31.03.2019 (S\$ cents)	31.12.2018 (S\$ cents)	+/- %	31.03.2019 (S\$ cents)	31.12.2018 (S\$ cents)	+/- %
Net asset value per ordinary share	19.62	19.24	2.0%	17.03	17.02	0.0%

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**

Group revenue for Q1 2019 rose by 7.6% to S\$26.2 million, generating an operating profit of S\$8.7 million (Q1 2018: S\$8.7 million), and a net profit after tax of S\$1.3 million (Q1 2018: S\$1.7 million).

On a segmental basis, the Group's property business registered an 83.8% increase in revenue to S\$6.8 million, boosted by the progressive sales recognised from the Group's Eaton Residences project in Kuala Lumpur, Malaysia.

The Group's hospitality business, driven mainly by its two hotels in Kota Kinabalu, Sabah, posted revenue of S\$19.5 million, a 5.8% decline year-on-year, as a result of increased competition from new hotel openings in the city.

Finance expenses in Q1 2019 rose by S\$1.2 million to S\$5.5 million, due mainly to additional interest incurred on the issuance of S\$50.0 million medium-term notes in Q2 2018.

Tax expenses in Q1 2019 reduced by S\$1.1 million to S\$0.5 million, due mainly to tax incentives granted for our hospitality business.

### **Balance Sheet**

The increase in other investments, from S\$75.4 million as at 31 December 2018, to S\$79.7 million as at 31 March 2019, was due to upward fair valuations of the Group's treasury investments and various fixed-tenure principal-protected securities.

The increase in other payables and accruals, from S\$28.9 million as at 31 December 2018, to S\$32.1 million as at 31 March 2019, was attributed to the additional interest accruals amounting to S\$2.3 million.

### **Cash Flow Analysis**

For the first quarter ended 31 March 2019, the operating profit before working capital changes, was S\$8.4 million. However, after adjusting for working capital changes, the Group recorded a net cash outflow from operating activities of S\$3.1 million.

The Group registered a net cash outflow from investing activities of S\$27.5 million, which was due mainly to the placement of bank deposits of S\$37.1 million.

A net cash outflow from financing activities of S\$22.5 million was recorded in Q1 2019, following the net repayment of borrowings amounting to S\$19.4 million.

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 as the Group is reserving its funds for working capital.

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

	3 Months Ended 31 March 2019				3 Months Ended 31 March 2018			
	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000
Segment revenue	19,465	6,786	1,050	27,301	20,700	3,702	750	25,152
Elimination of inter-segment revenue	(3)	-	(1,050)	(1,053)	-	-	(750)	(750)
<b>External revenue</b>	<b>19,462</b>	<b>6,786</b>	<b>-</b>	<b>26,248</b>	<b>20,700</b>	<b>3,702</b>	<b>-</b>	<b>24,402</b>
Interest income	115	130	279	524	94	115	338	547
Interest expense	(1,876)	(537)	(3,103)	(5,516)	(2,090)	(251)	(1,963)	(4,304)
Depreciation	(2,290)	(324)	(165)	(2,779)	(2,142)	(277)	(164)	(2,583)
Reportable segment profit/(loss) before tax	4,302	2,477	(4,957)	1,822	5,417	2,151	(4,195)	3,373
Tax expense	18	(560)	-	(542)	(1,625)	(55)	-	(1,680)
Reportable segment profit/(loss) after tax	4,320	1,917	(4,957)	1,280	3,792	2,096	(4,195)	1,693
Share of profit of equity-accounted investee	-	1,583	-	1,583	-	1,548	-	1,548
Reportable segment assets	399,717	465,873	172,129	1,037,719	403,713	332,917	331,523	1,068,153
Reportable segment liabilities	(192,747)	(114,471)	(266,744)	(573,962)	(214,343)	(75,006)	(290,948)	(580,297)

\* General corporate activities

### Geographical Information

	Revenue		Non-current assets*	
	3 months ended 31 March 2019 S\$'000	3 months ended 31 March 2018 S\$'000	3 months ended 31 March 2019 S\$'000	3 months ended 31 March 2018 S\$'000
Malaysia	26,248	24,402	384,961	385,894
China	-	-	66,101	61,189
Singapore	-	-	26,625	27,183
Middle East	-	-	4,910	5,159
Total	26,248	24,402	482,597	479,425

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

**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 1Q2019 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 May 2019**