



GSH CORPORATION LIMITED
Half Year Financial Statement for the Period Ended 30/06/2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

RESULTS OF OUR GROUP

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 second quarter and half year ended 30 June

	Second Quarter			Half Year		
	30.6.2014 Unaudited S\$'000	30.6.2013 Unaudited S\$'000	+/- %	30.6.2014 Unaudited S\$'000	30.6.2013 Unaudited S\$'000	+/- %
Revenue	36,522	32,482	12.4%	60,961	63,046	(3.3%)
Cost of sales	(28,617)	(30,748)	(6.9%)	(52,014)	(60,174)	(13.6%)
Gross profit	7,905	1,734	355.9%	8,947	2,872	211.5%
Gross profit margin	22%	5%	305.5%	15%	5%	222.2%
Other operating income	496	23	>100%	556	59	>100%
Distribution and selling income/(expenses), net	(434)	531	Nm	(237)	501	Nm
Administrative expenses	(6,739)	(1,943)	>100%	(9,084)	(4,295)	>100%
Other expenses	(33)	(195)	(83.1%)	(33)	(196)	(83.2%)
Operating profit/(loss)	1,195	150	>100%	149	(1,059)	Nm
Amortisation and depreciation	(2,760)	(104)	>100%	(2,822)	(205)	>100%
Exchange gain/(loss)	1,655	177	>100%	511	(41)	Nm
Finance expenses	(3,008)	(10)	>100%	(3,236)	(11)	>100%
Finance income	653	272	>100%	1,345	302	>100%
Negative goodwill arising from acquisition	6,745	-	Nm	73,095	-	Nm
Profit/(loss) before tax	4,480	485	>100%	69,042	(1,014)	Nm
Taxation	127	(9)	Nm	125	(9)	Nm
Profit/(loss) for the period	4,607	476	>100%	69,167	(1,023)	Nm
Attributable to:						
Owners of the Company	5,816	476	>100%	70,376	(1,023)	Nm
Non-controlling interests	(1,209)	-	Nm	(1,209)	-	Nm
	4,607	476	>100%	69,167	(1,023)	Nm
Net profit/(loss) for the period	4,607	476	>100%	69,167	(1,023)	Nm
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries	1,311	6	>100%	(246)	1,013	Nm
Total comprehensive income for the period	5,918	482	>100%	68,921	(10)	Nm
Attributable to:						
Owners of the Company	6,012	482	>100%	69,015	(10)	Nm
Non-controlling interests	(94)	-	Nm	(94)	-	Nm
	5,918	482	>100%	68,921	(10)	Nm

Notes to Group profit and loss account

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

	Second Quarter			Half Year		
	30.6.2014	30.6.2013	+/-	30.6.2014	30.6.2013	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Personnel expenses ¹	5,554	1,588	>100%	6,636	2,733	>100%
Operating lease expenses	72	177	(59.1%)	470	562	(16.4%)
Non-executive directors' fees	76	65	16.6%	129	132	(2.3%)
Executive directors' remuneration	425	239	78.0%	690	472	46.2%
Depreciation of property, plant & equipment	2,760	104	>100%	2,822	205	>100%
Foreign exchange (gain)/loss ²	(1,655)	(177)	>100%	(511)	41	Nm
Negative goodwill arising from acquisition ³	(6,745)	-	Nm	(73,095)	-	Nm
Provision/(write back)						
- Inventories	4	21	(81.0%)	4	21	(81.0%)
- Doubtful debts	(124)	4	Nm	(124)	4	Nm

Commentary:

¹ The increase in personnel expenses was a result of the acquisition of the Sutera Harbour Group, which resulted in the enlargement of head count.

² The foreign exchange gain consist of :

(a) S\$4,151,000 exchange loss arising from net changes in fair value of financial derivatives, consisting of forward exchange contract taken by the Group to hedge to its currency exposure in its investments in Malaysia.

(b) S\$4,662,000 exchange gain consisting of revaluation gains from fixed deposits, receivables and payables, arising from the ordinary course of business of the Group.

³ The Group paid approximately S\$194.5m to acquire 77.5% of the Sutera Harbour Resort Group. This acquisition was completed on 26 March 2014. A non-recurring negative goodwill of S\$73.1m was recognised and this was reflected in the Income Statement.

As at 30 June 2014, the fair value of identifiable assets and liabilities of the Sutera Harbour Resort Group were determined on a provisional basis as the Group is still in the process of performing the purchase price allocation exercise.

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	
	30.6.2014	31.12.2013	30.6.2014	31.12.2013
	Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Non-Current Assets				
Property, plant and equipment	463,828	5,062	161	-
Investment property	4,605	-	-	-
Investment in subsidiaries	-	-	185	187
Investment in associated company	7	8	-	-
Deferred tax assets	-	177	-	-
	<u>468,440</u>	<u>5,247</u>	<u>346</u>	<u>187</u>
Current Assets				
Investment securities	7	8	-	-
Property development costs	168,887	-	-	-
Inventories	9,350	7,998	-	-
Trade receivables	8,154	6,843	76	-
Other receivables, deposits and prepayments	51,202	39,338	1,030	2,592
Due from subsidiaries (trade)	-	-	20,817	15,473
Due from subsidiaries (non-trade)	-	-	278,535	242,407
Due from related parties	1,077	-	-	-
Fixed deposits	288,078	465,652	262,240	252,454
Cash and bank balances	26,659	2,951	371	175
	<u>553,414</u>	<u>522,790</u>	<u>563,069</u>	<u>513,101</u>
Current Liabilities				
Trade payables	7,236	405	-	-
Bills payable	1,201	2,797	-	-
Loans and borrowings	275,698	204,586	252,705	204,586
Other payables and accruals	18,592	2,702	1,150	976
Due to subsidiaries (non-trade)	-	-	4,501	4,600
Due to related parties	88,485	-	-	-
Provision for taxation	215	169	130	-
Finance lease obligations	22	23	22	-
Derivatives financial liabilities	4,577	486	4,577	486
	<u>396,026</u>	<u>211,168</u>	<u>263,085</u>	<u>210,648</u>
Net Current Assets	157,388	311,622	299,984	302,453
Non-Current Liabilities				
Loan and borrowings	27,954	-	-	-
Due to related parties	30,528	-	-	-
Redeemable preference shares	499	-	-	-
Finance lease obligations	16	28	16	-
Deferred tax liabilities	91,707	-	-	-
	<u>150,704</u>	<u>28</u>	<u>16</u>	<u>-</u>
Net Assets	<u>475,124</u>	<u>316,841</u>	<u>300,314</u>	<u>302,640</u>
Equity attributable to equity holders of the Company				
Share capital	331,024	331,024	331,024	331,024
Reserves	55,257	(14,183)	(30,710)	(28,384)
	<u>386,281</u>	<u>316,841</u>	<u>300,314</u>	<u>302,640</u>
Non-controlling interests	88,843	-	-	-
Total Equity	<u>475,124</u>	<u>316,841</u>	<u>300,314</u>	<u>302,640</u>

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 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
275,720	1,201	204,609	2,797

Amount repayable after one year

As at 30 June 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
27,970	-	28	-

Details of any collateral

As at 30 June 2014, the Group's borrowings were secured by legal charges on certain of the Group's development land, pledge of fixed deposits of S\$257,815,000 (FY2013: S\$252,516,000) and motor vehicles with carrying amount of S\$28,000 (FY2013: S\$47,000)

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	
	Half Year Ended 30 June		2nd Quarter Ended 30 June	
	2014	2013	2014	2013
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(loss) before tax	69,042	(1,014)	4,482	485
Adjustment for:				
Depreciation of property, plant & equipment	2,822	205	2,760	104
Loss on sale of quoted investments	-	170	-	170
Net change in fair value of financial derivatives	4,151	-	1,533	-
Negative goodwill arising from acquisition (Note 1)	(73,095)	-	(6,745)	-
Write back of allowance for doubtful receivables, net	(124)	4	(124)	4
Allowance for inventory obsolescence	4	21	4	21
Gain on disposal of property, plant & equipment	(3)	(19)	(3)	(1)
Finance expense	3,236	11	3,008	10
Finance income	(1,345)	(302)	(653)	(272)
Operating profit/(loss) before working capital changes	4,688	(924)	4,262	521
Decrease/(increase) in:				
Inventories	(231)	2,642	1,008	2,936
Property development costs	(17,265)	-	-	-
Trade receivables	1,326	(163)	624	120
Other receivables, deposits and prepayments	(9,553)	324	(33,514)	3,150
Increase/(decrease) in:				
Trade payables	467	650	(1,567)	(2,975)
Other payable and accruals	(8,003)	(165)	(4,359)	(1,382)
	(28,571)	2,364	(33,546)	2,370
Finance expense paid	(1,096)	(11)	(869)	(10)
Taxes paid	(580)	(13)	(580)	(10)
Net cash flow (used in)/generated from operating activities	(30,247)	2,340	(34,995)	2,350

	GROUP		GROUP	
	Half Year Ended 30 June		2nd Quarter Ended 30 June	
	2014	2013	2014	2013
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Net cash outflow on acquisition of subsidiaries (Note 1)	(194,490)	-	-	-
Issuance of redeemable preference shares	422	-	422	-
Purchase of property, plant and equipment	(2,524)	(143)	(2,468)	(58)
Proceeds from disposal of property, plant and equipment	198	20	196	1
Purchase of investment securities	-	-	-	14
Finance income	1,112	302	419	272
Net cash (used in)/generated from investing activities	(195,282)	179	(1,431)	229
Cash flows from financing activities				
Proceeds from shares issuance	-	283,559	-	245,592
Capital contribution by Non-Controlling Interest	22,460	-	22,460	-
Proceeds from borrowings	52,017	-	42,081	-
Increase in fixed deposits pledged	(7,560)	(252,210)	(1,523)	(252,210)
Repayment of finance lease obligations	(11)	(11)	(6)	(6)
Proceeds from trust receipts	4,314	-	4,314	-
Payment of trust receipts	(5,882)	(1,632)	(5,009)	-
Net cash generated from/(used in) financing activities	65,338	29,706	62,317	(6,624)
Net (decrease)/increase in cash and cash equivalents	(160,191)	32,225	25,891	(4,045)
Effect of exchange rate changes on balances hold in foreign currencies	660	(4)	(730)	8
Cash and cash equivalents at beginning of the period	216,453	14,556	31,761	50,814
Cash and cash equivalents at end of the period (Note A)	56,922	46,777	56,922	46,777

	GROUP		GROUP	
	Half Year Ended 30 June		2nd Quarter Ended 30 June	
	2014	2013	2014	2013
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Note A: Cash and cash equivalents comprise:				
Fixed deposits	288,078	293,972	288,078	293,972
Cash on hand and at bank	26,659	5,321	26,659	5,321
	314,737	299,293	314,737	299,293
Less fixed deposits pledged	(257,815)	(252,516)	(257,815)	(252,516)
Cash and cash equivalents	56,922	46,777	56,922	46,777

Note 1

On 26 March 2014 ("the acquisition date"), the Group acquired the Sutera Harbour Resort Group ("SHR")

The fair value of the identifiable assets and liabilities of the SHR at the acquisition date were:

	Fair value recognised on acquisition S\$'000
Property, plant and equipment	456,894
Trade receivables	2,545
Other receivables	6,191
Inventories	1,185
Cash and cash equivalents	1,205
	<hr/> 468,020
Trade creditors	3,386
Other creditors	189,726
Deferred tax liabilities	59,024
Redeemable preference shares	488
	<hr/> 252,624
Total identifiable net assets at fair value	215,396
Non-controlling interest measured at the non-controlling interest's proportionate share of SHR's net assets at fair value	(48,463)
Assumption of secured creditors' loans	100,276
Negative goodwill arising from acquisition	(73,095)
Effect from translation	376
	<hr/> 194,490
 <u>Effect of the acquisition of Sutera Harbour Resort Group on cash flows</u>	
Consideration settled in cash	95,427
Assumption of secured creditors' loans	100,276
Purchase consideration	195,703
Less: cash and cash equivalents of subsidiaries acquired	(1,213)
Net cash outflow on acquisition	<hr/> 194,490

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.

Group (S\$'000)

	Share capital	Accumulated (losses)/profits	Capital reserves	Asset revaluation reserves	Translation reserves	Equity attributable to owners of the company	Non controlling interest	Total
2014								
As at 1 January	331,024	(19,584)	736	3,910	755	316,841	-	316,841
Total comprehensive income for the period								
Profit for the period	-	64,560	-	-	-	64,560	-	64,560
Other comprehensive income for the period								
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	(1,557)	(1,557)	-	(1,557)
Total comprehensive income for the period attributable to owners	-	64,560	-	-	(1,557)	63,003	-	63,003
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	67,218	67,218
Total transaction with owners of the Company	-	-	-	-	-	-	67,218	67,218
As at 31 March	331,024	44,976	736	3,910	(802)	379,844	67,218	447,062
Total comprehensive income for the period								
Profit for the period	-	5,816	-	-	-	5,816	(1,209)	4,607
Other comprehensive income for the period								
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	196	196	1,115	1,311
Total comprehensive income for the period	-	5,816	-	-	196	6,012	(94)	5,918
Transactions with owners, recognised directly in equity								
Issuance of redeemable preference shares by a subsidiary	-	-	425	-	-	425	-	425
Total contributions by and distributions to owners	-	-	425	-	-	425	-	425
Adjustments on acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	(888)	(888)
Capital contribution by non-controlling interests	-	-	-	-	-	-	22,607	22,607
Total transaction with owners of the Company	-	-	425	-	-	425	21,719	22,144
As at 30 June	331,024	50,792	1,161	3,910	(606)	386,281	88,843	475,124

Group (S\$'000)

	Share capital	Accumulated (losses)/profits	Capital reserves	Asset revaluation reserves	Translation reserves	Equity attributable to owners of the company	Non controlling Interest	Total
2013								
As at 1 January	47,465	(18,113)	736	2,934	(254)	32,768	-	32,768
Total comprehensive income for the period								
Profit for the period	-	(1,499)	-	-	-	(1,499)	-	(1,499)
Other comprehensive income for the period								
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	1,007	1,007	-	1,007
Total comprehensive income for the period	-	(1,499)	-	-	1,007	(492)	-	(492)
Transactions with owners, recognised directly in equity								
Issuance of new shares	37,966	-	-	-	-	37,966	-	37,966
Total transaction with owners of the Company	37,966	-	-	-	-	37,966	-	37,966
As at 31 March	85,431	(19,612)	736	2,934	753	70,242	-	70,242
Total comprehensive income for the period								
Profit for the period	-	476	-	-	-	476	-	476
Other comprehensive income for the period								
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	6	6	-	6
Total comprehensive income for the period	-	476	-	-	6	482	-	482
Transactions with owners, recognised directly in equity								
Issuance of new shares	245,593	-	-	-	-	245,593	-	245,593
Total transaction with owners of the Company	245,593	-	-	-	-	245,593	-	245,593
As at 30 June	331,024	(19,136)	736	2,934	759	316,317	-	316,317

Company (S\$'000)

	Share capital	Accumulated losses	Capital reserves	Asset revaluation reserves	Translation reserves	Minority Interest	Total
2014							
As at 1 January	331,024	(28,938)	-	-	554	-	302,640
Total comprehensive income for the period							
Loss for the period	-	(2,150)	-	-	-	-	(2,150)
Other comprehensive income for the period							
Exchange differences arising from translation of functional currency to presentation currency	-	-	-	-	(1,041)	-	(1,041)
Total comprehensive income for the period	-	(2,150)	-	-	(1,041)	-	(3,191)
As at 31 March	331,024	(31,088)	-	-	(487)	-	299,449
Total comprehensive income for the period							
Profit for the period	-	2,829	-	-	-	-	2,829
Other comprehensive income for the period							
Exchange differences arising from translation of functional currency to presentation currency	-	-	-	-	(1,964)	-	(1,964)
Total comprehensive income for the period	-	2,829	-	-	(1,964)	-	865
As at 30 June	331,024	(28,259)	-	-	(2,451)	-	300,314

Company (S\$'000)

	Share capital	Accumulated losses	Capital reserves	Asset revaluation reserves	Translation reserves	Minority Interest	Total
2013							
As at 1 January	47,465	(29,450)	-	-	(10)	-	18,005
Total comprehensive income for the period							
Loss for the period	-	(901)	-	-	-	-	(901)
Other comprehensive income for the period							
Exchange differences arising from translation of functional currency to presentation currency	-	-	-	-	553	-	553
Total comprehensive income for the period	-	(901)	-	-	553	-	(348)
Transactions with owners, recognised directly in equity							
Issuance of new shares	37,966	-	-	-	-	-	37,966
Total transaction with owners of the Company	37,966	-	-	-	-	-	37,966
As at 31 March	85,431	(30,351)	-	-	543	-	55,623
Total comprehensive income for the period							
Loss for the period	-	(989)	-	-	-	-	(989)
Other comprehensive income for the period							
Exchange differences arising from translation of functional currency to presentation currency	-	-	-	-	(6)	-	(6)
Total comprehensive income for the period	-	(989)	-	-	(6)	-	(995)
Transactions with owners, recognised directly in equity							
Issuance of new shares	245,593	-	-	-	-	-	245,593
Total transaction with owners of the Company	245,593	-	-	-	-	-	245,593
As at 30 June	331,024	(31,340)	-	-	537	-	300,221

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 were no changes to the Company's share capital since 31 Dec 2013.

Status on the use of proceeds raised from the issue of securities in the past two years

Date	Type of Securities Issued	Net Proceeds Raised (\$\$ 'million)	Intended Use		Proceeds Used (\$\$ 'million)
			Description	(\$\$ 'million)	
10-Jul-12	Issue of Subscription	13.8	Working Capital	5.8	5.8 *
7-Mar-13	Issue of Subscription	37.5	Property and Construction Businesses	292.3	240.1 **
3-Jun-13	Rights Issue	246.8			
		298.1		298.1	245.9

* - Proceeds was used entirely for the purchase of inventories

** - S\$20.9m was invested in Malaysia property development projects. S\$219.2m was used for the Sutera Harbour Resorts Group and Sutera Harbour land parcels acquisition/investment.

The proceeds which have been used were used for the intended purposes.

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.

As at 30 June 2014 As at 31 December 2013

Total Number of issued shares 9,885,180,250 9,885,180,250

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.

Not applicable.

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. The Negative Goodwill as disclosed under clause 1(a) is subjected to Purchase Price Allocation review from 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.

From 30th June 2014, the company had changed its presentation currency from US Dollar to Singapore Dollar and accordingly the financial statements of the group had been presented in Singapore Dollar instead of US Dollar.

Apart from the above change and as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2013.

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 following are changes in accounting standards applicable and effective for the Group for the financial year beginning 1 January 2014.

1. Revised FRS 27 Separate Financial Statements
2. Revised FRS 28 Investments in Associates and Joint Ventures
3. FRS 110 Consolidated Financial Statements
4. FRS 111 Joint Arrangements
5. FRS 112 Disclosure of Interests in Other Entities
6. Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities
7. Amendments to FRS 36 Recoverable Amount Disclosures for Non-financial Assets
8. Amendments to FRS 39 Novation of Derivatives and Continuation of Hedge Accounting
9. INT FRS 121 Levies
10. Amendments to FRS 19 Defined Benefit Plans: Employee Contributions

The changes in accounting standards above have no significant impact on 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.

	Second Quarter			Half Year		
	30.6.2014	30.6.2013	+/- %	30.6.2014	30.6.2013	+/- %
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-						
i) Based on weighted average number of shares	0.06 cts	0.00 cts	Nm	0.71 cts	(0.01) cts	Nm
-Weighted average number of shares ('000)	9,885,180	9,885,180		9,885,180	9,885,180	
ii) On a fully diluted basis	0.06 cts	0.01 cts	>100%	0.71 cts	(0.02) cts	Nm
-Adjusted weighted average number of shares ('000)	9,885,180	5,504,141		9,885,180	5,504,141	

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		
	30.6.2014 (S\$ cents)	31.12.2013 (S\$ cents)	+/- %	30.6.2014 (S\$ cents)	31.12.2013 (S\$ cents)	+/- %
Net asset value per ordinary share *	3.91	3.21	21.9%	3.04	3.06	-0.8%

* Based on share capital of 9,885,180,250 ordinary shares as at end of the period (31 Dec 2013: 9,885,180,250).

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

i) Hospitality segment

The Group acquired the Sutera Harbour Resort Group (%SHR+) in Malaysia, on 26th March 2014.

For the period 2Q2014, the hospitality segment registered a revenue of S\$13.5 million, an EBITA of S\$3.1 million and a net loss of S\$1.2 million. After minority interests, the net loss was S\$0.3 million.

In general, tourist arrivals were affected by the MH370 incident and the spate of kidnappings in eastern Sabah, resulting in a 31% drop in guests from China, affecting the overall occupancy of the two hotels.

ii) Property segment

As at 30 June 2014, the Group's properties projects are in primary stages of development which incur costs, and we do not expect revenue contributions to be significant until subsequent stages when the projects are launched. The segment incurred a net loss of S\$3.0 million, which consisted mainly of exchange losses of S\$1.0 million, finance expenses of S\$0.7 million and operating expenses of S\$1.3 million.

iii) Trading and distribution segment

The Group's trading and distribution segments' revenue decreased from S\$63.0 million in 1H2013, to S\$47.5 million in 1H2014, mainly due to the reduction in revenue in the IT business.

The Group's trading and distribution segment registered a net loss of S\$0.2 million in 1H14.

Balance Sheet

The substantial increase of the Group's property, plant and equipment, property development costs, loans and borrowings and deferred tax liabilities, was due to the acquisition of the Sutera Harbour Resort Group and the 2 adjoining plots of development land.

The amount due to related parties (current and non-current) of S\$119 million, consisted mainly of the cumulative redeemable preference shares owing to TYJ Group Pte Ltd.

Cash flow Analysis

In 2Q14, the net cash outflow from operating activities of S\$35.0 million was mainly due to a deposit of S\$34.3 million paid for the Equity Plaza Acquisition, which is expected to complete in 3Q14.

Overall, the Group showed a net increase in cash and cash equivalent of S\$25.9 million in 2Q14.

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.

The Hospitality business is expected to improve in 4Q 2014, barring unforeseen circumstances.

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.

Not applicable.

13. Segment Analysis

SEGMENT ANALYSIS

Half year ended 30 June 2014

	Hospitality S\$'000	Property S\$'000	Trading and distribution S\$'000	Corporate S\$'000	Adjustment and Elimination S\$'000	Total S\$'000
Revenue						
External customers	13,455	-	47,506	-	-	60,961
Inter-segment	8	-	5,835	1,904	(7,747)	-
Total revenue	13,463	-	53,341	1,904	(7,747)	60,961
Results:						
Finance income	7	23	507	808	-	1,345
Finance expenses	(1,961)	(724)	(25)	(526)	-	(3,236)
Depreciation and amortisation	(2,724)	-	(98)	-	-	(2,822)
Other non-cash expenses	152	-	(31)	-	-	121
Exchange (loss)/gain	(6)	(974)	76	1,415	-	511
Segment (loss)/profit	(1,192)	(3,015)	(180)	460	73,095	69,167
Other Information:						
Segment assets	647,477	279,423	59,368	563,415	(527,830)	1,021,853
Segment liabilities	(524,441)	(210,668)	(66,820)	(263,102)	518,302	(546,729)
Net assets	123,036	68,755	(7,452)	300,313	(9,528)	475,124

Geographical Information

	Malaysia S\$'000	Central Asia S\$'000	Singapore S\$'000	Vietnam S\$'000	Others S\$'000	Total S\$'000
External customers	13,463	11,879	10,535	12,130	12,987	60,994
Non-current assets	463,467	4,702	237	-	34	468,440

Half year ended 30 June 2013

	Hospitality S\$'000	Property S\$'000	Trading and distribution S\$'000	Corporate S\$'000	Adjustment and Elimination S\$'000	Total S\$'000
Revenue						
External customers	-	-	63,046	-	-	63,046
Inter-segment	-	-	7,203	-	(7,203)	-
Total revenue	-	-	70,249	-	(7,203)	63,046
Results:						
Finance income	-	-	113	189	-	302
Finance expenses	-	-	(11)	-	-	(11)
Depreciation and amortisation	-	-	(205)	-	-	(205)
Other non-cash expenses	-	-	(25)	-	-	(25)
Exchange loss	-	-	(41)	-	-	(41)
Segment profit/(loss)	-	(793)	889	(1,119)	-	(1,023)
Other Information:						
Segment assets	-	-	79,498	305,718	(65,334)	319,882
Segment liabilities	-	-	(79,340)	(5,497)	81,272	(3,565)
Net assets	-	-	158	300,221	15,938	316,317

Geographical Information

	Malaysia S\$'000	Central Asia S\$'000	Singapore S\$'000	Vietnam S\$'000	Others S\$'000	Total S\$'000
External customers	-	10,858	26,905	13,935	11,348	63,046
Non-current assets	-	3,845	791	-	34	4,670

- 14. 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.,**

There was no IPT mandate obtained.

- 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 2Q2014 financial results to be false or misleading in any material respect.

BY ORDER OF THE BOARD

**Lee Ellen
Company Secretary
12 August 2014**