


GSH CORPORATION LIMITED
Half Year Financial Statements for the Period Ended 30/06/2015
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 second quarter and half year ended 30 June

	2nd Quarter Ended 30 June			Half Year Ended 30 June		
	30.6.2015 Unaudited S\$'000	30.6.2014 Unaudited S\$'000 *Re-presented	+/- %	30.6.2015 Unaudited S\$'000	30.6.2014 Unaudited S\$'000 *Re-presented	+/- %
Revenue	65,323	13,850	>100%	79,627	13,850	>100%
Cost of sales	(42,896)	(6,500)	>100%	(48,761)	(6,500)	>100%
Gross profit	22,427	7,350	>100%	30,866	7,350	>100%
Gross profit margin	34%	53%	(35.8%)	39%	53%	(26.4%)
Other income	380	478	(20.5%)	4,649	478	>100%
Distribution and selling expense	(1,209)	(660)	83.2%	(1,901)	(663)	>100%
Administrative expenses	(5,608)	(5,844)	(4.0%)	(11,396)	(7,210)	58.1%
Other expenses	(54)	-	Nm	(460)	-	Nm
Operating profit/(loss)	15,936	1,324	>100%	21,758	(45)	Nm
Amortisation and depreciation	(2,814)	(2,803)	0.4%	(5,658)	(2,803)	>100%
Exchange gain	1,087	1,646	(34.0%)	1,827	447	>100%
Finance expenses	(4,310)	(3,083)	39.8%	(8,366)	(3,306)	>100%
Finance income	1,062	571	86.0%	1,997	863	>100%
Gain on bargain purchase arising from business combination	-	6,944	Nm	-	75,242	Nm
Profit before tax	10,961	4,599	>100%	11,558	70,398	(83.6%)
Taxation	(2,682)	130	Nm	(3,303)	128	Nm
Profit from continuing operations	8,279	4,729	75.1%	8,255	70,526	(88.3%)
Discontinued operation						
Profit from discontinued operation (net of tax)	-	17	Nm	-	674	Nm
Profit for the year	8,279	4,746	74.4%	8,255	71,200	(88.4%)
Attributable to:						
Owners of the Company	3,534	5,988	(41.0%)	3,171	72,442	(95.6%)
Non-controlling interests	4,745	(1,242)	Nm	5,084	(1,242)	Nm
	8,279	4,746	74.4%	8,255	71,200	(88.4%)

	2nd Quarter Ended 30 June			Half Year Ended 30 June		
	30.6.2015 Unaudited S\$'000	30.6.2014 Unaudited S\$'000 *Re-presented	+/- %	30.6.2015 Unaudited S\$'000	30.6.2014 Unaudited S\$'000 *Re-presented	+/- %
Net profit for the period	8,279	4,746	74.4%	8,255	71,200	(88.4%)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	(9,025)	4,585	Nm	(14,485)	4,581	Nm
Total comprehensive income for the period	(746)	9,331	Nm	(6,230)	75,781	Nm
Attributable to:						
Owners of the Company	(3,380)	9,428	Nm	(7,882)	75,878	Nm
Non-controlling interests	2,634	(97)	Nm	1,652	(97)	Nm
	(746)	9,331	Nm	(6,230)	75,781	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:

	2nd Quarter Ended 30 June			Half Year Ended 30 June		
	30.6.2015 Unaudited S\$'000	30.6.2014 Unaudited S\$'000 Re-presented*	+/- %	30.6.2015 Unaudited S\$'000	30.6.2014 Unaudited S\$'000 Re-presented*	+/- %
Personnel expenses	4,834	5,506	(12.2%)	9,274	6,831	35.8%
Operating lease expenses	494	643	(23.2%)	994	1,052	(5.5%)
Non-executive directors' fees	107	78	37.2%	181	133	36.1%
Executive directors' remuneration	644	439	46.7%	938	711	31.9%
Depreciation of property, plant & equipment	2,814	2,841	(1.0%)	5,658	2,905	94.8%
Foreign exchange gain, net	(1,087)	(1,646)	(34.0%)	(1,827)	(447)	>100%
Gain on bargain purchase arising from business combination ¹	-	(6,944)	Nm	-	(75,242)	Nm
Rental income	(250)	(162)	54.3%	(4,349)	(170)	>100%
Provision/(write back)						
- Inventories	(11)	4	Nm	(17)	4	Nm
- Doubtful debts	26	(128)	Nm	(5)	(128)	(96.1%)

*Figures were re-presented due to change of functional currency in 2014.

Nm - Not meaningful

Commentary:

¹The Group acquired 77.5% of the Sutera Harbour Resort Group. This acquisition was completed on 26 March 2014. A non-recurring gain of bargain purchase arising from business combination of \$75.2m 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 was 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	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
ASSETS				
Property, plant and equipment	423,051	449,685	829	157
Investment property	5,480	5,370	-	-
Investment in subsidiaries	-	-	193	193
Non-current assets	428,531	455,055	1,022	350
Development property	747,658	767,827	-	-
Derivatives financial assets	1,052	-	1,052	-
Inventories	987	1,051	-	-
Trade receivables	19,109	2,421	-	-
Other receivables, deposits and prepayments	5,533	15,510	1,621	11,590
Amount due from subsidiaries (non-trade)	-	-	279,959	262,978
Fixed deposits	353,642	362,286	303,359	303,179
Cash and bank balances	29,622	23,601	510	9,263
Current assets	1,157,603	1,172,696	586,501	587,010
Total assets	1,586,134	1,627,751	587,523	587,360
EQUITY				
Share capital	343,458	343,458	343,458	343,458
Reserves	20,152	32,977	(27,205)	(21,894)
Equity attributable to equity holders of the Company	363,610	376,435	316,253	321,564
Non-controlling interests	92,111	90,384	-	-
Total Equity	455,721	466,819	316,253	321,564
LIABILITIES				
Loan and borrowings	686,193	687,611	-	6
Amount due to related parties	9,354	19,787	-	-
Redeemable preference shares	462	488	-	-
Deferred tax liabilities	63,927	67,508	-	-
Non current Liabilities	759,936	775,394	-	6
Trade payables	1,664	2,732	-	-
Other payables and accruals	17,598	25,891	2,168	4,195
Loans and borrowings	263,932	270,882	256,900	254,025
Amount due to subsidiaries (non-trade)	-	-	12,202	7,136
Amount due to related parties	83,634	84,712	-	-
Provision for taxation	3,649	887	-	-
Derivatives financial liabilities	-	434	-	434
Current Liabilities	370,477	385,538	271,270	265,790
Total liabilities	1,130,413	1,160,932	271,270	265,796
Total equity and liabilities	1,586,134	1,627,751	587,523	587,360

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 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
263,932	-	270,882	-

Amount repayable after one year

As at 30 June 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
686,193	-	687,611	-

Details of any collateral

As at 30 June 2015, the Group's borrowings were secured by legal charges on certain of the Group's development land and hotel properties, pledge of fixed deposits of S\$271,378,400 (FY2014: S\$267,033,000), office equipment and operating equipment with total carrying amount of S\$1,116,000 (FY2014: S\$391,000).

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	
	2015	2014	2015	2014
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the period	8,255	71,200	8,279	4,746
Adjustment for:				
Depreciation of property, plant & equipment	5,658	2,905	2,814	2,841
Net change in fair value of financial derivatives	(1,486)	4,273	(1,052)	1,578
Gain on bargain purchase arising from business combination (Note 1)	-	(75,242)	-	(6,944)
(Reversal of impairment loss)/Impairment loss on trade receivables	(5)	(128)	26	(128)
(Write back of allowance)/Allowance for inventory obsolescence	(17)	4	(11)	4
Gain on disposal of property, plant & equipment	(84)	(3)	(77)	(3)
Finance expense	8,366	3,331	4,310	3,096
Finance income	(1,997)	(1,385)	(1,062)	(671)
Tax expense	3,303	(128)	2,682	(130)
Operating profit before working capital changes	21,993	4,827	15,909	4,389
Decrease/(increase) in:				
Inventories	24	(241)	132	1,043
Development property	16,355	-	18,105	-
Trade receivables	(16,780)	1,381	(18,143)	655
Other receivables, deposits and prepayments	2,318	(9,967)	2,810	(34,803)
Increase/(decrease) in:				
Trade payables	(919)	487	(201)	(1,621)
Other payable and accruals	(18,182)	(8,350)	(3,796)	(4,572)
	4,809	(11,863)	14,816	(34,909)
Tax paid, net	(436)	(605)	(383)	(605)
Net cash flow from/ (used in) operating activities	4,373	(12,468)	14,433	(35,514)
Cash flows from investing activities				
Net cash outflow on business combination (Note 1)	-	(201,603)	-	-
Net cash outflow on acquisition of subsidiaries	-	(17,896)	-	-
Receipt of remaining consideration on the disposal of trading and distribution business	9,104	-	-	-
Purchase of property, plant and equipment	(3,234)	(2,633)	(1,418)	(2,576)
Proceeds from disposal of property, plant and equipment	88	207	80	205
Interest received	329	1,160	159	447
Net cash from/ (used in) investing activities	6,287	(220,765)	(1,179)	(1,924)

	GROUP		GROUP	
	Half Year Ended 30 June		2nd Quarter Ended 30 June	
	2015	2014	2015	2014
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Capital contribution by non-controlling interest	75	23,433	75	23,433
Proceeds from borrowings	58,986	59,210	57,875	48,911
Increase in fixed deposits pledged	(16,559)	(7,887)	(16,658)	(1,630)
Repayment of borrowings	(53,662)	(6,137)	(53,662)	(5,232)
Finance expense paid (including amounts capitalised in development property)	(13,729)	(1,143)	(6,746)	(909)
Proceed from finance lease obligation	875	-	54	-
Payment of finance lease obligation	(155)	(11)	(89)	(6)
Dividend paid	(4,943)	-	(4,943)	-
Net cash (used in)/ from financing activities	(29,112)	67,465	(24,094)	64,567
Net decrease in cash and cash equivalents	(18,452)	(165,768)	(10,840)	27,129
Effect of exchange rate changes on balances hold in foreign currencies	(730)	(670)	(795)	(665)
Cash and cash equivalents at beginning of the period	131,068	225,824	123,521	32,922
Cash and cash equivalents at end of the period (Note A)	111,886	59,386	111,886	59,386

	GROUP		GROUP	
	Half Year Ended 30 June		2nd Quarter Ended 30 June	
	2015	2014	2015	2014
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Note A: Cash and cash equivalents comprise:				
Fixed deposits	353,642	300,550	353,642	300,550
Cash on hand and at bank	29,622	27,813	29,622	27,813
	383,264	328,363	383,264	328,363
Less: fixed deposits pledged	(271,378)	(268,977)	(271,378)	(268,977)
Cash and cash equivalents	111,886	59,386	111,886	59,386

Note 1

On 26 March 2014 ("the acquisition date"), the Group acquired the Sutera Harbour Resort Group and 2 plots of development land ("the Acquisition") in connection therewith.

The fair value of the identified assets and liabilities of the Acquisition at the acquisition date were:

	Fair value recognised on acquisition S\$'000
Property, plant and equipment	476,675
Development properties	2,655
Inventories	6,459
Trade and other receivables	1,234
Cash and cash equivalents	1,258
	<hr/> 488,281
Trade and other creditors	3,532
Loan and borrowings	197,940
Deferred tax liabilities	61,579
Redeemable preference shares	509
	<hr/> 263,560
Total identifiable net assets at fair value	224,721
Non-controlling interest measured at the non-controlling interest's proportionate share of the net assets	(50,562)
Assumption of secured creditors' loans	103,944
Bargain purchase arising from acquisition of Sutera Harbour Resort Group	(75,242)
	<hr/> <hr/> 202,861
 <u>Effect of the acquisition of the Acquisition on cash flows</u>	 S\$'000
Total consideration for the acquisition	98,917
Assumption of secured creditors' loans	103,944
Purchase consideration	202,861
Less: cash and cash equivalents of subsidiary acquired	(1,258)
Net cash outflow on acquisition	<hr/> <hr/> 201,603

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 2015

Group	Attributable to owners of Company					Total S\$'000	Non- controlling interest S\$'000	Total Equity S\$'000
	Share capital S\$'000	Capital reserves S\$'000	Asset revaluation reserves S\$'000	Translation reserves S\$'000	Accumulated profits S\$'000			
At 1 January 2015	343,458	-	4,132	(8,594)	37,439	376,435	90,384	466,819
Total comprehensive income for the year								
Loss for the period	-	-	-	-	(363)	(363)	339	(24)
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	(4,139)	-	(4,139)	(1,321)	(5,460)
Total other comprehensive income, net of tax	-	-	-	(4,139)	-	(4,139)	(1,321)	(5,460)
Total comprehensive income for the year	-	-	-	(4,139)	(363)	(4,502)	(982)	(5,484)
As at 31 March 2015	343,458	-	4,132	(12,733)	37,076	371,933	89,402	461,335
Total comprehensive income for the year								
Profit for the period	-	-	-	-	3,534	3,534	4,745	8,279
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	(6,914)	-	(6,914)	(2,111)	(9,025)
Total other comprehensive income, net of tax	-	-	-	(6,914)	-	(6,914)	(2,111)	(9,025)
Total comprehensive income for the year	-	-	-	(6,914)	3,534	(3,380)	2,634	(746)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Capital contribution by non-controlling interests	-	-	-	-	-	-	75	75
Dividends declared	-	-	-	-	(4,943)	(4,943)	-	(4,943)
Total transactions with owners	-	-	-	-	(4,943)	(4,943)	75	(4,868)
As at 30 June 2015	343,458	-	4,132	(19,647)	35,667	363,610	92,111	455,721

Statement of changes in Equity as at 30 June 2014

Group	Attributable to owners of Company						Non-controlling interest S\$'000	Total Equity S\$'000
	Share capital S\$'000	Capital reserves S\$'000	Asset		Accumulated profits S\$'000	Total S\$'000		
			revaluation reserves S\$'000	Translation reserves S\$'000				
At 1 January 2014	343,458	784	4,132	(136)	(20,957)	327,281	-	327,281
Total comprehensive income for the year								
Profit for the period	-	-	-	-	66,454	66,454	-	66,454
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	(4)	-	(4)	-	(4)
Total other comprehensive income, net of tax	-	-	-	(4)	-	(4)	-	(4)
Total comprehensive income for the year	-	-	-	(4)	66,454	66,450	-	66,450
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	69,676	69,676
Total transaction with owners of the Company	-	-	-	-	-	-	69,676	69,676
As at 31 March 2014	343,458	784	4,132	(140)	45,497	393,731	69,676	463,407
Total comprehensive income for the year								
Profit for the period	-	-	-	-	5,988	5,988	(1,242)	4,746
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	3,440	-	3,440	1,145	4,585
Total other comprehensive income, net of tax	-	-	-	3,440	-	3,440	1,145	4,585
Total comprehensive income for the year	-	-	-	3,440	5,988	9,428	(97)	9,331
Adjustments on acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	(918)	(918)
Capital contribution by non-controlling interests	-	-	-	-	-	-	23,433	23,433
Total transaction with owners of the Company	-	-	-	-	-	-	22,515	22,515
As at 30 June 2014	343,458	784	4,132	3,300	51,485	403,159	92,094	495,253

Statement of changes in Equity as at 30 June 2015**Company**

	Share capital S\$'000	Retained Earnings/ (Accumulated losses) S\$'000	Total S\$'000
As at 1 January 2015	343,458	(21,894)	321,564
Total comprehensive income for the period			
Loss for the period	-	(729)	(729)
Total comprehensive income for the period	-	(729)	(729)
As at 31 March 2015	343,458	(22,623)	320,835
Total comprehensive income for the period			
Loss for the period	-	361	361
Total comprehensive income for the period	-	361	361
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Dividends declared	-	(4,943)	(4,943)
Total transactions with owners	-	(4,943)	(4,943)
As at 30 June 2015	343,458	(27,205)	316,253

Statement of changes in Equity as at 30 June 2014

As at 1 January 2014	343,458	(30,843)	312,615
Total comprehensive income for the period			
Loss for the period	-	(2,214)	(2,214)
Total comprehensive income for the period	-	(2,214)	(2,214)
As at 31 March 2014	343,458	(33,057)	310,401
Total comprehensive income for the period			
Profit for the period	-	2,912	2,912
Total comprehensive income for the period	-	2,912	2,912
As at 30 June 2014	343,458	(30,145)	313,313

- 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 December 2014.

- 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.**

	<u>As at 30 June 2015</u>	<u>As at 31 December 2014</u>
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.

- 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 2014.

- 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 the current financial period, the Group early adopted FRS 115 Revenue from Contracts with Customers.

FRS 115 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, and INT FRS 115 Agreements for the Construction of Real Estate, INT FRS 118 Transfers of Assets from Customers and INT FRS 31 Revenue . Barter Transactions Involving Advertising Services. FRS 115 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

The standard will be applied retrospectively and there will be no financial impact on the results and financial position to the Group for the year ended 31 December 2014.

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		
	30.6.2015	30.6.2014	+/- %	30.6.2015	30.6.2014	+/- %
Earnings per ordinary share of the Group based on net (loss)/profit attributable to shareholders:-						
i) Based on weighted average number of shares	0.036 cts	0.061 cts	-41.0%	0.032 cts	0.733 cts	-95.6%
-Weighted average number of shares ('000)	9,885,180	9,885,180		9,885,180	9,885,180	
ii) On a fully diluted basis	0.036 cts	0.061 cts	-41.0%	0.032 cts	0.733 cts	-95.6%
-Adjusted weighted average number of shares ('000)	9,885,180	9,885,180		9,885,180	9,885,180	

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		
	30.6.2015 (S\$ cents)	31.12.2014 (S\$ cents)	+/- %	30.6.2015 (S\$ cents)	31.12.2014 (S\$ cents)	+/- %
Net asset value per ordinary share *	3.68	3.81	-3.4%	3.20	3.25	-1.5%

* Based on share capital of 9,885,180,250 ordinary shares as at end of the period (31 Dec 2014: 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

Continuing operations

The Group divested its trading and distribution business in FY2014, consequently, the income statement of this business is presented under discontinued operations for HY2014.

The Group recorded a revenue of S\$65.3 million in Q22015, compared to S\$13.9 million in Q22014, an operating profit (before depreciation, exchange gain and finance income/expense) of S\$15.9 million in Q22015, compared to S\$1.3 million in Q22014, and a net profit after tax of S\$8.3 million in Q22015, compared to \$4.7 million in Q22014.

The property business in Q22015 contributed to the significant increase in revenue and operating profit.

Balance Sheet

The increase in trade receivables, from S\$2.4 million as at 31 December 2014, to S\$19.1 million, as at 30 June 2015, was due mainly to receivables arising from sale of properties.

The decrease in other receivables, from S\$15.5 million as at 31 December 2014, to S\$5.5 million as at 30 June 2015, was due mainly to the receivables of S\$9.1 million as at 31 December 2014, arising from the disposal of trading and distribution business in 2014, which were received in Q12015.

The decrease in other payables and accruals, from S\$25.9 million as at 31 December 2014, to S\$17.6 million as at 30 June 2015, was due mainly to the refund of the tenant deposits for GSH Plaza, as all tenancies were terminated ahead of the intended refurbishment works.

Cash flow Analysis

For the second quarter ended 30 June 2015, the operating profit before working capital changes, was S\$15.9 million, but after adjustment for the working capital changes, the Group recorded a net cash inflow from operating activities, of S\$14.4 million.

The Group recorded a net cash outflow from investing activities of S\$1.2 million, which was due mainly to the purchase of property, plant and equipment of S\$1.4 million.

The Group recorded a net cash outflow from financing activities of S\$24.0 million, which was due mainly to a dividend payment and finance expenses.

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.

Hospitality Industry

Barring unforeseen circumstances, the Group expects to see some recovery in our hospitality business in the next 12 months.

Property Industry

Singapore

The Group expects the impact of the Singapore government's cooling measures and concerns over interest rate hikes to continue to weigh on the property market.

Malaysia

The cautious buying sentiment in the property market will remain as a result of credit tightening rules by Bank Negara to curb household debts.

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 2015				Half Year Ended 30 June 2014				
	<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>Trading and distribution (Discontinued operation)</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000
30 June 2014									
Segment revenue	26,685	52,942	833	80,460	13,858	-	54,908	1,958	70,724
Elimination of inter-segment revenue	-	-	(833)	(833)	(8)	-	(6,006)	(1,958)	(7,972)
Elimination of discontinued operations	-	-	-	-	-	-	(48,902)	-	(48,902)
External revenue	26,685	52,942	-	79,627	13,850	-	-	-	13,850
Interest income	143	186	1,668	1,997	8	23	522	832	1,385
Elimination of discontinued operations	-	-	-	-	-	-	(522)	-	(522)
	143	186	1,668	1,997	8	23	-	832	863
Interest expense	(4,939)	(2,384)	(1,043)	(8,366)	(2,019)	(746)	(25)	(541)	(3,331)
Elimination of discontinued operations	-	-	-	-	-	-	25	-	25
	(4,939)	(2,384)	(1,043)	(8,366)	(2,019)	(746)	-	(541)	(3,306)
Depreciation	(5,614)	(2)	(42)	(5,658)	(2,803)	-	(102)	-	(2,905)
Reportable segment (loss)/profit before tax	(2,460)	15,322	(1,304)	11,558	(1,627)	(2,024)	674	74,049	71,072
Tax expense	(611)	(2,798)	106	(3,303)	400	-	-	(272)	128
Reportable segment (loss)/profit after tax	(3,071)	12,524	(1,198)	8,255	(1,227)	(2,024)	674	73,777	71,200
Reportable segment assets	437,533	841,231	307,370	1,586,134	492,256	246,137	51,958	275,302	1,065,653
Reportable segment liabilities	(244,426)	(626,919)	(259,068)	(1,130,413)	(157,523)	(138,409)	(4,671)	(269,797)	(570,400)
* General corporate activities									
Geographical Information									
	<u>Malaysia</u> S\$'000	<u>Singapore</u> S\$'000	<u>Other</u> S\$'000	<u>Total</u> S\$'000	<u>Malaysia</u> S\$'000	<u>Central Asia</u> S\$'000	<u>Singapore</u> S\$'000	<u>Others</u> S\$'000	<u>Total</u> S\$'000
External customers	26,686	52,941	-	79,627	13,850	12,144	10,845	25,913	62,752
Non-current assets	422,219	829	5,483	428,531	483,533	4,905	248	34	488,720

SEGMENT ANALYSIS

	3 Months Ended 30 June 2015				3 Months Ended 30 June 2014				
	<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>Trading and distribution (Discontinued operation)</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000
30 June 2014									
Segment revenue	12,381	52,942	190	65,513	13,858	-	27,744	1,958	43,560
Elimination of inter-segment revenue	-	-	(190)	(190)	(8)	-	(3,998)	(1,958)	(5,964)
Elimination of discontinued operations	-	-	-	-	-	-	(23,746)	-	(23,746)
External revenue	12,381	52,942	-	65,323	13,850	-	-	-	13,850
Interest income	70	89	903	1,062	8	(2)	100	565	671
Elimination of discontinued operations	-	-	-	-	-	-	(100)	-	(100)
	70	89	903	1,062	8	(2)	-	565	571
Interest expense	(2,465)	(1,241)	(604)	(4,310)	(2,019)	(746)	(13)	(318)	(3,096)
Elimination of discontinued operations	-	-	-	-	-	-	13	-	13
	(2,465)	(1,241)	(604)	(4,310)	(2,019)	(746)	-	(318)	(3,083)
Depreciation	(2,791)	(1)	(22)	(2,814)	(2,803)	-	(38)	-	(2,841)
Reportable segment (loss)/profit before tax	(1,844)	13,545	(740)	10,961	(1,627)	(1,841)	17	8,067	4,616
Tax expense	(301)	(2,380)	(1)	(2,682)	400	-	-	(270)	130
Reportable segment (loss)/profit after tax	(2,145)	11,165	(741)	8,279	(1,227)	(1,841)	17	7,797	4,746
Reportable segment assets	437,533	841,231	307,370	1,586,134	492,256	246,137	51,958	275,302	1,065,653
Reportable segment liabilities	(244,426)	(626,919)	(259,068)	(1,130,413)	(157,523)	(138,409)	(4,671)	(269,797)	(570,400)
* General corporate activities									
Geographical Information									
	<u>Malaysia</u> S\$'000	<u>Singapore</u> S\$'000	<u>Others</u> S\$'000	<u>Total</u> S\$'000	<u>Malaysia</u> S\$'000	<u>Central Asia</u> S\$'000	<u>Singapore</u> S\$'000	<u>Others</u> S\$'000	<u>Total</u> S\$'000
External customers	12,382	52,941	-	65,323	13,851	6,911	7,837	8,997	37,596
Non-current assets	422,219	829	5,483	428,531	483,533	4,905	248	34	488,720

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 2Q2015 financial results to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Ng Tze Lee
Company Secretary
13 August 2015