


GSH CORPORATION LIMITED
Third Quarter Financial Statements for the Period Ended 30/09/2016
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 third quarter and nine months ended 30 September

	3rd Quarter Ended 30 September			9 months Ended 30 September		
	30.9.2016	30.9.2015	+/-	30.9.2016	30.9.2015	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Revenue	28,375	23,854	19.0%	69,504	103,481	(32.8%)
Cost of sales	(13,521)	(12,172)	11.1%	(35,428)	(60,933)	(41.9%)
Gross profit	14,854	11,682	27.2%	34,076	42,548	(19.9%)
Gross profit margin	52%	49%	6.9%	49%	41%	19.5%
Other income	616	490	25.7%	1,646	5,139	(68.0%)
Distribution and selling expense	(1,209)	(625)	93.4%	(2,839)	(2,526)	12.4%
Administrative expenses	(5,386)	(5,411)	(0.5%)	(15,331)	(16,807)	(8.8%)
Other expenses	(6)	(56)	(89.3%)	(50)	(516)	(90.3%)
Operating profit	8,869	6,080	45.9%	17,502	27,838	(37.1%)
Amortisation and depreciation	(2,067)	(2,642)	(21.8%)	(6,216)	(8,300)	(25.1%)
Exchange gain/(loss)	789	2,237	(64.7%)	(13,538)	2,578	Nm
Finance expenses	(5,246)	(3,924)	33.7%	(13,285)	(12,290)	8.1%
Finance income	1,674	1,362	22.9%	4,239	3,359	26.2%
Net change in fair value of financial derivatives	(1,100)	5,208	Nm	15,664	6,694	>100%
Profit before tax	2,919	8,321	(64.9%)	4,366	19,879	(78.0%)
Taxation	(1,902)	(695)	>100%	(4,241)	(3,998)	6.1%
Profit for the period	1,017	7,626	(86.7%)	125	15,881	(99.2%)
Attributable to:						
Owners of the Company	103	6,545	(98.4%)	(304)	9,716	Nm
Non-controlling interests	914	1,081	(15.4%)	429	6,165	(93.0%)
	1,017	7,626	(86.7%)	125	15,881	(99.2%)

	3rd Quarter Ended 30 September			9 months Ended 30 September		
	30.9.2016	30.9.2015	+/-	30.9.2016	30.9.2015	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Profit for the period	1,017	7,626	(86.7%)	125	15,881	(99.2%)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	248	(28,295)	Nm	961	(42,780)	Nm
Exchange differences on monetary items forming part of net investments in a foreign operation	(465)	-	Nm	(265)	-	Nm
Total comprehensive income for the period	800	(20,669)	Nm	821	(26,899)	Nm
Attributable to:						
Owners of the Company	(71)	(15,655)	(99.5%)	119	(23,537)	Nm
Non-controlling interests	871	(5,014)	Nm	702	(3,362)	Nm
	800	(20,669)	Nm	821	(26,899)	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:

	3rd Quarter Ended 30			9 Months Ended 30		
	September			September		
	30.09.2016 Unaudited S\$'000	30.09.2015 Unaudited S\$'000	+/- %	30.09.2016 Unaudited S\$'000	30.09.2015 Unaudited S\$'000	+/- %
Personnel expenses	5,519	4,547	21.4%	14,704	13,821	6.4%
Operating lease expenses	268	488	(45.1%)	808	1,482	(45.5%)
Non-executive directors' fees	81	73	11.0%	244	254	(3.9%)
Executive directors' remuneration	198	628	(68.5%)	771	1,566	(50.8%)
Depreciation of property, plant & equipment	2,067	2,642	(21.8%)	6,216	8,300	(25.1%)
Foreign exchange (gain)/loss, net	(789)	(2,237)	(64.7%)	13,538	(2,578)	Nm
Rental income	(397)	(257)	54.5%	(1,050)	(4,606)	(77.2%)
(Write back)/allowance for inventory obsolescence	(10)	17	Nm	(24)	-	Nm
Reversal of impairment loss on trade receivables	(38)	(16)	>100%	(29)	(21)	38.1%

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 September

	Group		Company	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Property, plant and equipment	386,166	387,064	663	782
Investment property	7,791	8,089	-	-
Investment in subsidiaries	-	-	260	193
Non-current assets	393,957	395,153	923	975
Development property	800,085	757,700	-	-
Inventories	791	1,055	-	-
Trade receivables	3,219	23,536	126	-
Other receivables, deposits and prepayments	5,792	6,000	5,301	2,317
Amount due from subsidiaries (non-trade)	-	-	326,120	292,300
Fixed deposits	339,201	343,937	310,016	323,326
Cash and bank balances	11,074	22,786	802	2,854
Derivatives financial assets	2,874	-	2,874	-
Current assets	1,163,036	1,155,014	645,239	620,797
Total assets	1,556,993	1,550,167	646,162	621,772
EQUITY				
Share capital	343,458	343,458	343,458	343,458
Treasury shares	(4,820)	-	(4,820)	-
Reserves	15,417	16,286	(26,159)	(25,678)
Equity attributable to equity holders of the Company	354,055	359,744	312,479	317,780
Non-controlling interests	94,071	93,369	-	-
Total Equity	448,126	453,113	312,479	317,780
LIABILITIES				
Other payables and accruals	1,442	871	-	-
Loans and borrowings	610,309	586,994	60,000	-
Redeemable preference shares	428	425	-	-
Deferred tax liabilities	64,556	62,630	-	-
Non current Liabilities	676,735	650,920	60,000	-
Trade payables	8,648	7,613	-	-
Other payables and accruals	36,675	41,545	15,238	20,830
Loans and borrowings	329,991	312,237	243,300	256,900
Amount due to subsidiaries (non-trade)	-	-	15,145	13,472
Amount due to related parties	54,635	71,867	-	-
Provision for taxation	2,183	82	-	-
Derivatives financial liabilities	-	12,790	-	12,790
Current Liabilities	432,132	446,134	273,683	303,992
Total liabilities	1,108,867	1,097,054	333,683	303,992
Total equity and liabilities	1,556,993	1,550,167	646,162	621,772

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 September 2016			As at 31 December 2015		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
329,991	-	329,991	312,237	-	312,237

Amount repayable after one year

As at 30 September 2016			As at 31 December 2015		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
610,309	428	610,737	586,994	425	587,419

Total borrowings*

As at 30 September 2016			As at 31 December 2015		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
940,300	428	940,728	899,231	425	899,656
- Attributable to owners of the Company		688,787	- Attributable to owners of the Company		648,568
- Attributable to non-controlling interests		251,941	- Attributable to non-controlling interests		251,088

Less: Cash and cash equivalents

As at 30 September 2016			As at 31 December 2015		
S\$'000			S\$'000		
350,275			366,723		
- Attributable to owners of the Company		S\$'000	- Attributable to owners of the Company		S\$'000
- Attributable to non-controlling interests		337,278	- Attributable to non-controlling interests		351,246
		12,997			15,477

Net borrowings

As at 30 September 2016			As at 31 December 2015		
S\$'000			S\$'000		
590,453			532,933		
- Attributable to owners of the Company		S\$'000	- Attributable to owners of the Company		S\$'000
- Attributable to non-controlling interests		351,509	- Attributable to non-controlling interests		297,322
		238,944			235,611

Details of any collateral

As at 30 September 2016, the Group's borrowings were secured by legal charges on certain of the Group's development land and hotel properties, pledge of fixed deposits and bank balances of S\$257,645,000 (FY2015: S\$286,943,000), office equipment and operating equipment with total carrying amount of S\$1,353,000 (FY2015: S\$973,000).

*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

	GROUP		GROUP	
	3rd Quarter Ended 30 September		9 Months Ended 30 September	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the period	1,017	7,626	125	15,881
Adjustment for:				
Depreciation of property, plant & equipment	2,067	2,642	6,216	8,300
Interest expense	5,246	3,924	13,285	12,290
Interest income	(1,674)	(1,362)	(4,239)	(3,359)
(Write back)/Allowance for inventory obsolescence	(10)	17	(24)	-
(Gain)/Loss on disposal of property, plant & equipment	(5)	84	(12)	-
Reversal of impairment loss on trade receivables	(38)	(16)	(29)	(21)
Unrealised foreign exchange gain arising from revaluation of fixed deposit pledged	(983)	640	13,305	-
Net change in fair value of financial derivatives	1,100	(5,208)	(15,664)	(6,694)
Tax expense	1,902	695	4,241	3,998
Operating profit before working capital changes	8,622	9,042	17,204	30,395
Change in				
Development property	(12,519)	(11,585)	(33,125)	4,770
Inventories	95	113	288	137
Trade receivables	(2,406)	18,189	20,346	1,409
Other receivables, deposits and prepayments	(119)	468	2,314	1,555
Trade payables	2,741	(194)	1,035	(1,113)
Other payable and accruals	(188)	7,445	(7,022)	(10,737)
Cash (used in)/from operations	(3,774)	23,478	1,040	26,416
Tax paid, net	(368)	(826)	(446)	(1,262)
Net cash (used in)/from operating activities	(4,142)	22,652	594	25,154
Cash flows from investing activities				
Purchase of property, plant and equipment	(884)	(588)	(1,742)	(3,822)
Receipt of remaining consideration on the disposal of trading and distribution business	-	-	-	9,104
Payment of remaining consideration on acquisition of subsidiaries	(8,633)	-	(17,353)	-
(Increase)/decrease in deposit pledged	(787)	-	15,992	(15,920)
Interest received	144	312	2,133	1,873
Proceeds from disposal of property, plant and equipment	-	2	3	90
Net cash used in investing activities	(10,160)	(274)	(967)	(8,675)

	GROUP		GROUP	
	3rd Quarter Ended 30 September		9 Months Ended 30 September	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Capital contribution by non-controlling interest	-	-	-	75
Finance expense paid (including amounts capitalised in development property)	(5,713)	(7,997)	(20,288)	(21,726)
Proceeds of finance lease obligations	282	-	498	875
Payment of finance lease obligations	(85)	(66)	(238)	(221)
Proceeds from borrowings	8,172	-	91,605	58,986
Repayment of borrowings	(4,669)	-	(52,610)	(53,662)
Purchase of treasury shares	(3,284)	-	(4,820)	-
Dividend paid	-	-	(988)	(4,943)
Net cash (used in)/from financing activities	(5,297)	(8,063)	13,159	(20,616)
Net (decrease)/increase in cash and cash equivalents	(19,599)	14,315	12,786	(4,137)
Effect of exchange rate changes on balances held in foreign currencies	(285)	(1,434)	64	(2,164)
Cash and cash equivalents at beginning of the period	112,514	111,886	79,780	131,068
Cash and cash equivalents at end of the period (Note A)	92,630	124,767	92,630	124,767

	GROUP		GROUP	
	3rd Quarter Ended 30 September		9 Months Ended 30 September	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Note A: Cash and cash equivalents comprise:				
Fixed deposits	339,201	359,478	339,201	359,478
Cash on hand and at bank	11,074	36,028	11,074	36,028
	350,275	395,506	350,275	395,506
Less: fixed deposits pledged	(257,645)	(270,739)	(257,645)	(270,739)
Cash and cash equivalents	92,630	124,767	92,630	124,767

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 September 2016

Group	Attributable to owners of Company					Total S\$'000	Non-controlling interest S\$'000	Total Equity S\$'000
	Share capital S\$'000	Treasury Shares S\$'000	Asset revaluation reserves S\$'000	Translation reserves S\$'000	Accumulated profits S\$'000			
At 1 January 2016	343,458	-	4,132	(36,707)	48,861	359,744	93,369	453,113
Total comprehensive income for the year								
Profit for the period	-	-	-	-	2,779	2,779	17	2,796
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	7,161	-	7,161	2,232	9,393
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	1,159	-	1,159	-	1,159
Total other comprehensive income, net of tax	-	-	-	8,320	-	8,320	2,232	10,552
Total comprehensive income for the year	-	-	-	8,320	2,779	11,099	2,249	13,348
As at 31 March 2016	343,458	-	4,132	(28,387)	51,640	370,843	95,618	466,461
Total comprehensive income for the year								
Loss for the period	-	-	-	-	(3,186)	(3,186)	(502)	(3,688)
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	(6,764)	-	(6,764)	(1,916)	(8,680)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(959)	-	(959)	-	(959)
Total other comprehensive income, net of tax	-	-	-	(7,723)	-	(7,723)	(1,916)	(9,639)
Total comprehensive income for the year	-	-	-	(7,723)	(3,186)	(10,909)	(2,418)	(13,327)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Purchase of treasury shares	-	(1,536)	-	-	-	(1,536)	-	(1,536)
Dividends declared and paid	-	-	-	-	(988)	(988)	-	(988)
Total transactions with owners	-	(1,536)	-	-	(988)	(2,524)	-	(2,524)
As at 30 June 2016	343,458	(1,536)	4,132	(36,110)	47,466	357,410	93,200	450,610
Total comprehensive income for the year								
Profit for the period	-	-	-	-	103	103	914	1,017
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	291	-	291	(43)	248
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(465)	-	(465)	-	(465)
Total other comprehensive income, net of tax	-	-	-	(174)	-	(174)	(43)	(217)
Total comprehensive income for the year	-	-	-	(174)	103	(71)	871	800
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Purchase of treasury shares	-	(3,284)	-	-	-	(3,284)	-	(3,284)
Total transactions with owners	-	(3,284)	-	-	-	(3,284)	-	(3,284)
As at 30 September 2016	343,458	(4,820)	4,132	(36,284)	47,569	354,055	94,071	448,126

Statement of changes in Equity as at 30 September 2015

Group	Attributable to owners of Company				Total S\$'000	Non- controlling interest S\$'000	Total Equity S\$'000
	Share capital 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 and paid	-	-	-	(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
Total comprehensive income for the year							
Profit for the period	-	-	-	6,545	6,545	1,081	7,626
Other comprehensive income							
Foreign currency translation differences relating to foreign operations	-	-	(22,200)	-	(22,200)	(6,095)	(28,295)
Total other comprehensive income, net of tax	-	-	(22,200)	-	(22,200)	(6,095)	(28,295)
Total comprehensive income for the year	-	-	(22,200)	6,545	(15,655)	(5,014)	(20,669)
As at 30 September 2015	343,458	4,132	(41,847)	42,212	347,955	87,097	435,052

Statement of changes in Equity as at 30 September 2016**Company**

	Share capital S\$'000	Treasury Share S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 January 2016	343,458	-	(25,678)	317,780
Total comprehensive income for the period				
Profit for the period	-	-	3,444	3,444
Total comprehensive income for the period	-	-	3,444	3,444
As at 31 March 2016	343,458	-	(22,234)	321,224
Total comprehensive income for the period				
Loss for the period	-	-	(1,666)	(1,666)
Total comprehensive income for the period	-	-	(1,666)	(1,666)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Purchase of treasury shares	-	(1,536)	-	(1,536)
Dividends declared and paid	-	-	(988)	(988)
Total transactions with owners	-	(1,536)	(988)	(2,524)
As at 30 June 2016	343,458	(1,536)	(24,888)	317,034
Total comprehensive income for the period				
Loss for the period	-	-	(1,271)	(1,271)
Total comprehensive income for the period	-	-	(1,271)	(1,271)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Purchase of treasury shares	-	(3,284)	-	(3,284)
Total transactions with owners	-	(3,284)	-	(3,284)
As at 30 September 2016	343,458	(4,820)	(26,159)	312,479

Statement of changes in Equity as at 30 September 2015
Company

	Share capital S\$'000	Treasury Share S\$'000	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				
Profit 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 and paid	-	-	(4,943)	(4,943)
Total transactions with owners	-	-	(4,943)	(4,943)
As at 30 June 2015	343,458	-	(27,205)	316,253
Total comprehensive income for the period				
Profit for the period	-	-	2,247	2,247
Total comprehensive income for the period	-	-	2,247	2,247
As at 30 September 2015	343,458	-	(24,958)	318,500

- 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.

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
<u>After shares consolidation</u>				
As at 1 April 2016	1,977,036,050	343,458	-	-
Purchase of treasury shares	-	-	(6,072,700)	(1,536)
As at 30 June 2016	1,977,036,050	343,458	(6,072,700)	(1,536)
Purchase of treasury shares	-	-	(10,997,000)	(3,284)
As at 30 September 2016	1,977,036,050	343,458	(17,069,700)	(4,820)

	Number of shares issued and fully paid	Share capital S\$'000	Number of treasury shares	Treasury shares S\$'000
<u>Before shares consolidation</u>				
As at 1 April 2015/30 June 2015	9,885,180,250	343,458	-	-
<u>After shares consolidation</u>				
As at 30 September 2015	1,977,036,050	343,458	-	-

On 1 September 2015, the Company completed a share consolidation exercise and every five (5) existing shares were consolidated to constitute one (1) New Consolidated Share. Accordingly, the issued share capital of the Company now comprises 1,977,036,050 new consolidated shares.

- 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.

	30.09.2016
Total number of issued shares	1,977,036,050
Total number of treasury shares	(17,069,700)
Total number of issued shares (excluding treasury shares)	<u>1,959,966,350</u>
	30.09.2015
Total number of issued shares	1,977,036,050
Total number of treasury shares	-
Total number of issued shares (excluding treasury shares)	<u>1,977,036,050</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.

The movement of treasury shares are as follow:

Number of shares

As at 31 March 2016	-
Purchase of treasury shares	6,072,700
As at 30 June 2016	<u>6,072,700</u>
Purchase of treasury shares	10,997,000
As at 30 September 2016	<u>17,069,700</u>

There were no sales, transfers, disposal, cancellation and/or use of treasury shares 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 2015.

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 adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2016. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements 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.

	Third Quarter			Nine Months		
	30.09.2016	30.09.2015	+/- %	30.09.2016	30.09.2015	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
i) Based on weighted average number of shares (cents)	0.005	0.331	-98%	(0.008)	0.491	Nm
-Weighted average number of shares ('000)	1,969,890	1,977,036*		3,874,498	1,977,036*	
ii) On a fully diluted basis (cents)	0.005	0.331	-98%	(0.008)	0.491	Nm
-Adjusted weighted average number of shares ('000)	1,969,890	1,977,036*		3,874,498	1,977,036*	

* As the share consolidation exercise was completed on 1 September 2015, accordingly, the weighted average number of shares was adjusted retrospectively.

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		
	30.09.2016 (S\$ cents)	31.12.2015 (S\$ cents)	+/- %	30.09.2016 (S\$ cents)	31.12.2015 (S\$ cents)	+/- %
Net asset value per ordinary share	18.06	18.20	-0.8%	15.94	16.07	-0.8%

* Based on the total number of issued shares excluding treasury shares of 1,959,966,350.

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 a revenue of S\$28.4 million in Q32016, compared to S\$23.9 million in Q32015, and an operating profit of S\$8.9 million in Q32016, compared to S\$6.1 million in Q32015; and a net profit after tax of S\$1.0 million in Q32016, compared to S\$7.6 million in Q32015.

Revenue from hospitality business grew by 37% from S\$14.0 million in Q32015 to S\$19.2 million in Q32016, due mainly to the increase in room occupancy rates at our resorts in Sabah, Malaysia.

The Group had entered into a loan and deposit arrangement with a bank, which has a foreign exchange exposure. This exposure was fully hedged with a financial derivative. Consequently, the Group recorded an unrealized exchange gain of S\$1.0 million from the loan and deposit arrangement and unrealized fair value loss on financial derivative of S\$2.0 million in Q32016.

Separately, the Group recorded an unrealized fair value gain on financial derivative of S\$0.9 million, from the forward contracts entered by the Group, as part of its foreign exchange hedging.

Balance Sheet

The increase in loans and borrowings (including redeemable preference shares), from S\$899.7 million as at 31 December 2015, to S\$940.7 million as at 30 September 2016, was due mainly to proceeds received from the issuance of S\$60.0 million 5.15% fixed rate notes due 2019 under the multicurrency medium term note programme established by the Company.

The decrease in amount due to related parties, from S\$71.9 million as at 31 December 2015, to S\$54.6 million as at 30 September 2016, was due to payment made for the remaining consideration on the acquisition of subsidiaries.

Cash flow Analysis

For the third quarter ended 30 September 2016, the operating profit before working capital changes, was S\$8.6 million, but after adjustment for the working capital changes, the Group recorded a net cash outflow from operating activities, of S\$4.1 million.

The Group recorded a net cash outflow from investing activities of S\$10.2 million, which was due mainly to payment made for the remaining consideration on the acquisition of subsidiaries of S\$8.6 million.

The Group recorded a net cash outflow from financing activities of S\$5.3 million, which was due mainly to payment made to finance expenses of S\$5.7 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.

Hospitality Industry

Following from comments made in last quarter regarding the Sabah State government's commitments and initiatives for developing tourism, we continue to see good results in the hospitality industry. Barring any unforeseen circumstance, the outlook is positive.

Property Industry

Generally the Singapore commercial property market is expected to remain muted against a background of declining rents and higher vacancies. The Q3 rentals of Grade A offices in Raffles Place has dropped 1.5% quarter on quarter (qoq) but its Q3 occupancy rate has improved from 95.5% to 97.4% qoq.

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

	3 Months Ended 30 September 2016				3 Months Ended 30 September 2015			
	<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	19,249	9,126	750	29,125	13,987	9,870	-	23,857
Elimination of inter-segment revenue	-	-	(750)	(750)	(3)	-	-	(3)
External revenue	19,249	9,126	-	28,375	13,984	9,870	-	23,854
Interest income	90	96	1,488	1,674	79	114	1,169	1,362
Interest expense	(2,805)	(601)	(1,840)	(5,246)	(2,335)	(702)	(887)	(3,924)
Depreciation	(2,008)	(9)	(50)	(2,067)	(2,594)	-	(48)	(2,642)
Reportable segment profit/(loss) before tax	4,302	637	(2,020)	2,919	363	5,695	2,263	8,321
Tax expense	(1,551)	(351)	-	(1,902)	(318)	(377)	-	(695)
Reportable segment profit/(loss) after tax	2,751	286	(2,020)	1,017	45	5,318	2,263	7,626
Reportable segment assets	400,557	839,197	317,239	1,556,993	393,163	834,652	310,631	1,538,446
Reportable segment liabilities	(225,372)	(564,847)	(318,648)	(1,108,867)	(220,730)	(605,807)	(276,857)	(1,103,394)
* General corporate activities								
<u>Geographical Information</u>								
	<u>Malaysia</u> S\$'000	<u>Central Asia</u> S\$'000	<u>Singapore</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>Total</u> S\$'000
External customers	19,249	-	9,126	28,375	13,984	-	9,870	23,854
Non-current assets	385,501	7,793	663	393,957	377,323	5,803	824	383,950

SEGMENT ANALYSIS

	9 Months Ended 30 September 2016				9 Months Ended 30 September 2015			
	<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	46,780	22,724	2,767	72,271	40,672	62,812	833	104,317
Elimination of inter-segment revenue	-	-	(2,767)	(2,767)	(3)	-	(833)	(836)
External revenue	46,780	22,724	-	69,504	40,669	62,812	-	103,481
Interest income	306	330	3,603	4,239	222	300	2,837	3,359
Interest expense	(7,523)	(1,909)	(3,853)	(13,285)	(7,274)	(3,086)	(1,930)	(12,290)
Depreciation	(6,054)	(15)	(147)	(6,216)	(8,208)	(2)	(90)	(8,300)
Reportable segment profit/(loss) before tax	5,980	645	(2,259)	4,366	(2,097)	21,017	959	19,879
Tax expense	(3,629)	(612)	-	(4,241)	(929)	(3,175)	106	(3,998)
Reportable segment profit/(loss) after tax	2,351	33	(2,259)	125	(3,026)	17,842	1,065	15,881
Reportable segment assets	400,557	839,197	317,239	1,556,993	393,163	834,652	310,631	1,538,446
Reportable segment liabilities	(225,372)	(564,847)	(318,648)	(1,108,867)	(220,730)	(605,807)	(276,857)	(1,103,394)
* General corporate activities								
<u>Geographical Information</u>								
	<u>Malaysia</u> S\$'000	<u>Central Asia</u> S\$'000	<u>Singapore</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>Total</u> S\$'000
External customers	46,780	-	22,724	69,504	40,669	-	62,812	103,481
Non-current assets	385,501	7,793	663	393,957	377,323	5,803	824	383,950

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 Q32016 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
4 November 2016