



ANNUAL GENERAL MEETING- 1 June 2020

Agenda

- FINANCIAL HIGHLIGHTS FOR FY2019
- BUSINESS UPDATE

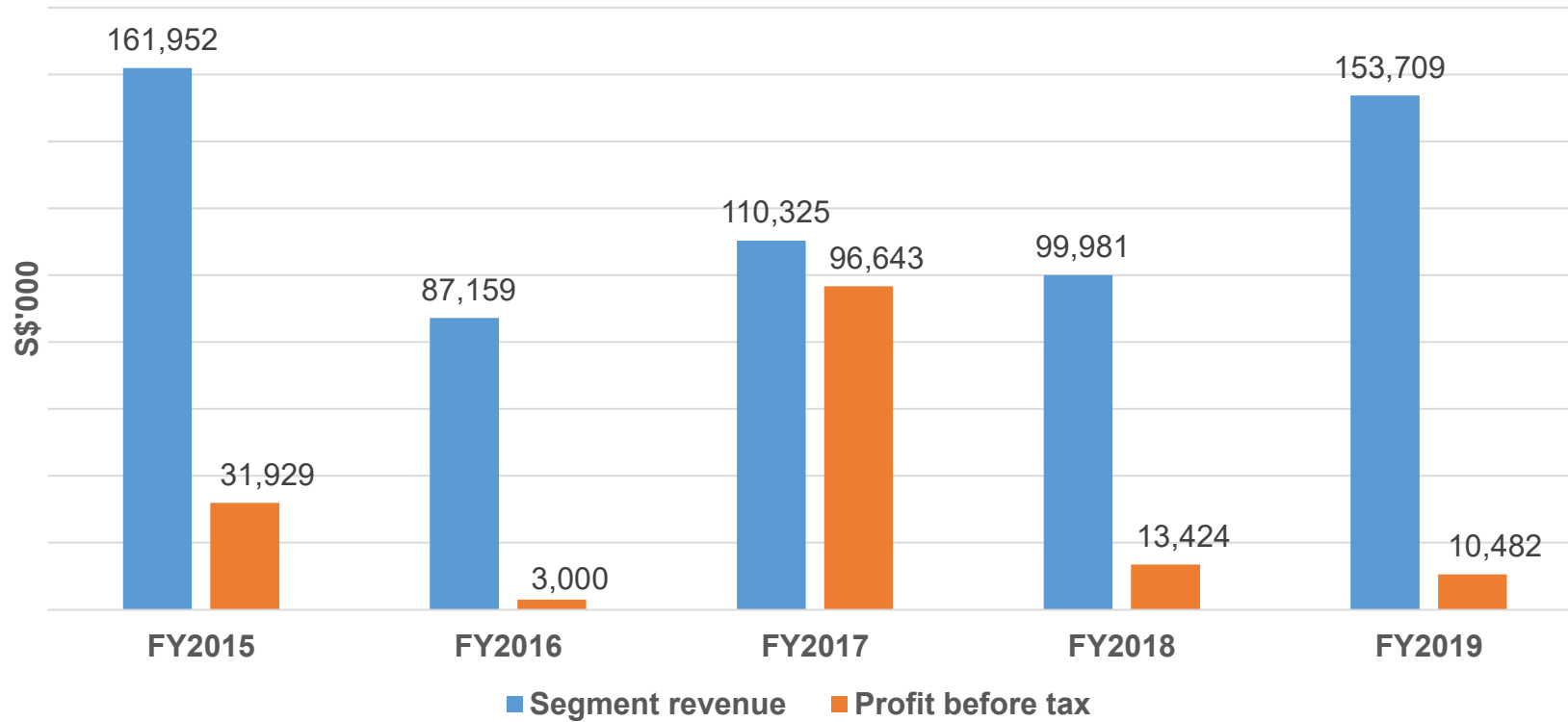


FINANCIAL HIGHLIGHTS FOR FY2019



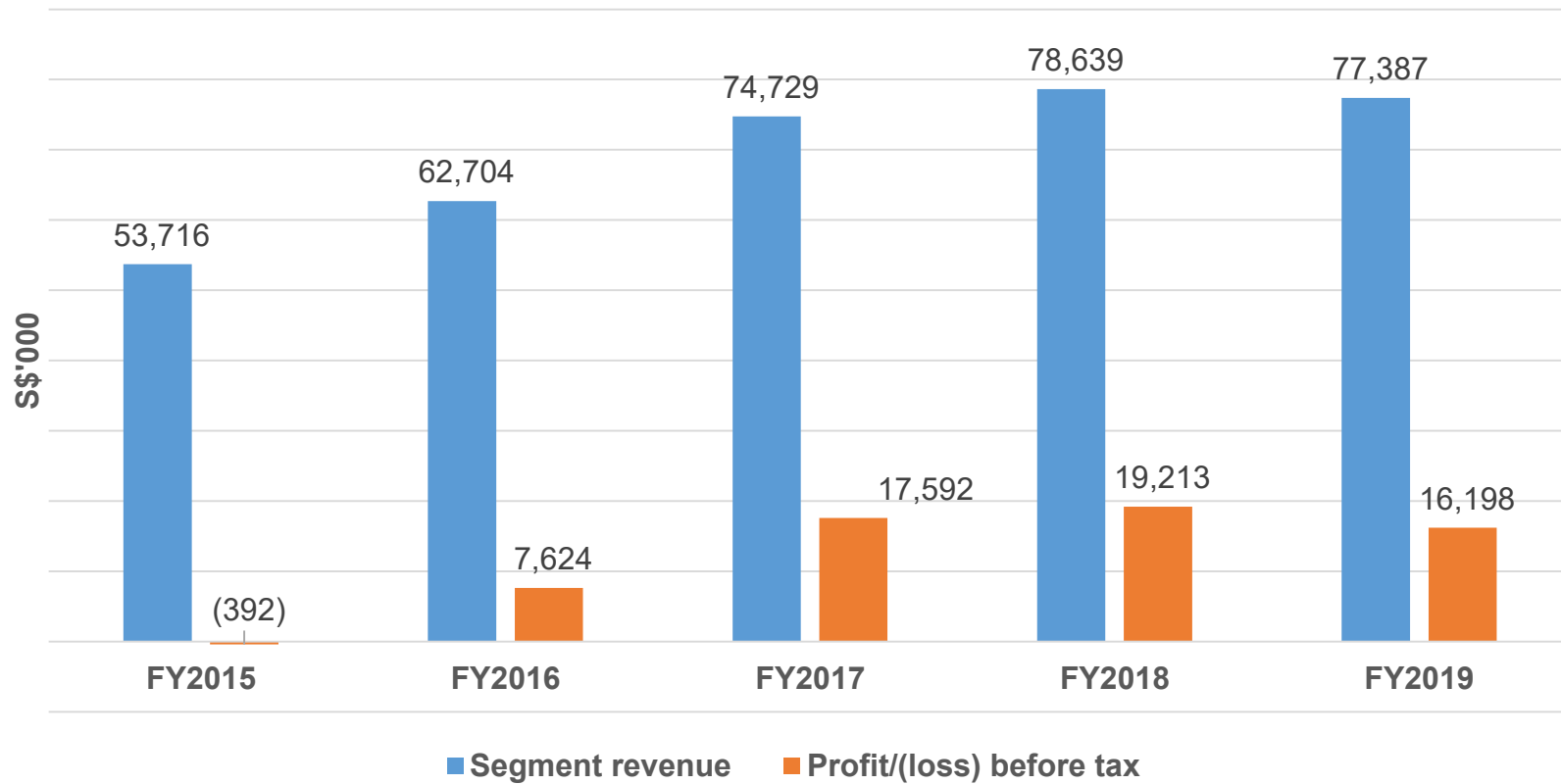
Financial Highlights

Overall Performance



Financial Highlights

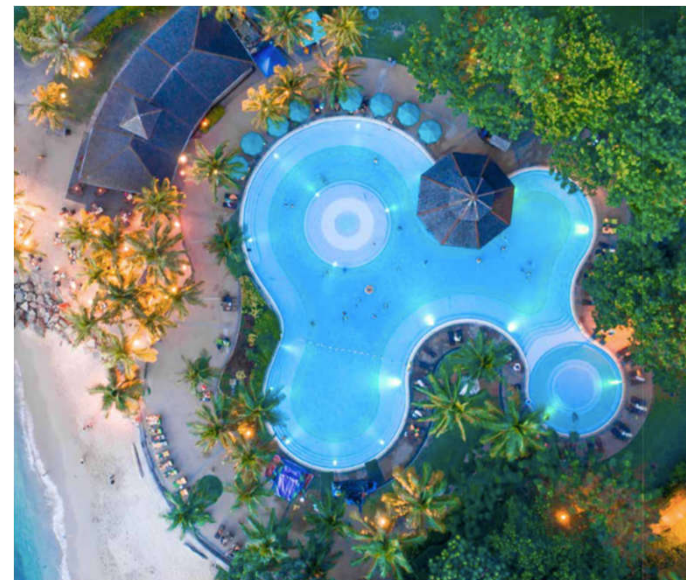
Hospitality Business Performance



Hospitality Business Performance

S\$'000	FY2016	FY2017	FY2018	FY2019
Revenue	62,704	74,729	78,639	77,387
PBT	7,624	17,592	19,213	16,198

- After three consecutive years of record revenue from FY2016 – FY2018, and despite the increased competition from new hotels in Kota Kinabalu, Sabah, the Group's hospitality business managed to maintain its revenue of about S\$77.4 million in FY2019, albeit with a slight dip of about 2.0%.
- The segment posted a 15.7% decrease in profit before tax to S\$16.2 million, due mainly to the higher depreciation costs incurred arising from capitalization of renovation costs for the hotels.

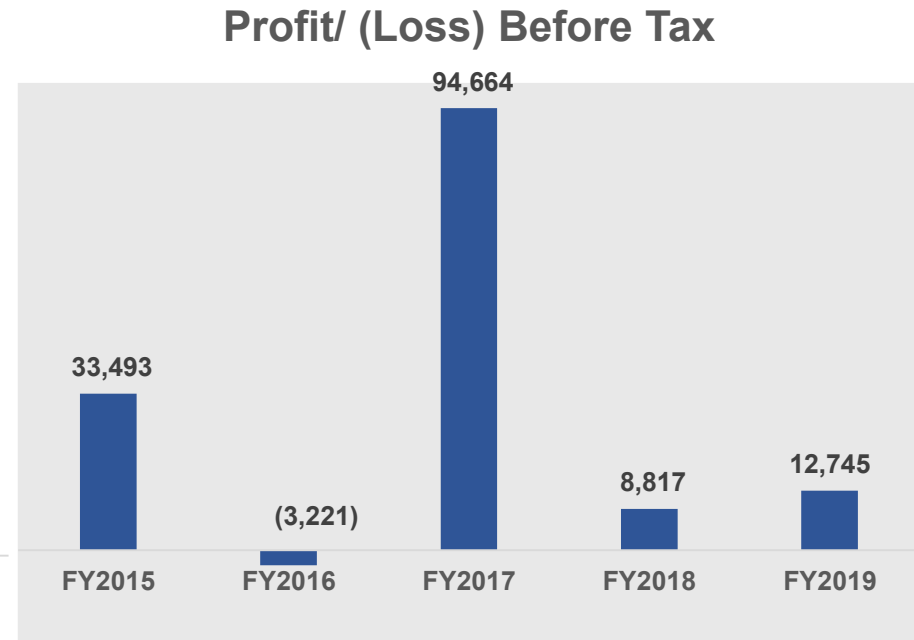
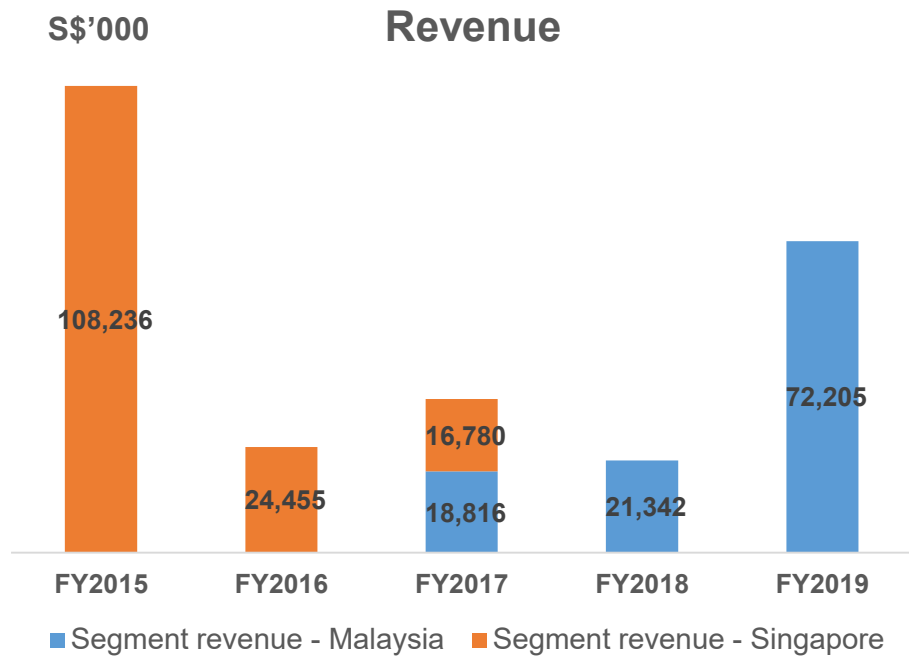


Recent Awards & Achievements

	Description of award	Recipient(s)
January 2020	Asean Mice Venue Standard (Category: Meeting Room) 2020/2022	Sutera Harbour Resort
December 2019	Most Recommended Award (2019 C-Trip Hotel Guide/Trip.Com)	The Magellan Sutera Resort The Pacific Sutera Hotel
November 2019	Excellence in Hotel Service 5-Star (Sabah Tourism Awards 2019)	The Magellan Sutera Resort
November 2019	Best Dining Experience (Hotel/Resort) Sabah Tourism Awards 2019	Ferdinand's Restaurant The Magellan Sutera Resort
October 2019	Top Service Quality Award (Trip.com Awards Night)	The Magellan Sutera Resort
August 2019	Asia Pacific Tourism & Travel Federation Annual Awards 2019 The Best Luxury Family Retreat Resort Award The Best Family Retreat Destination Award The Best Golf Resort in Malaysia	The Magellan Sutera Resort The Pacific Sutera Hotel Sutera Harbour Marina, Golf & Country Club
Apr 2019	Malaysia Best Employer Brand Award 2018	Sutera Harbour Resort
March 2019	Industry Excellence in Hospitality (Sabah Top Achievers Award 2019)	Sutera Harbour Resort
June 2018	HotelsCombined 2018 Recognition of Excellence	The Pacific Sutera Hotel
March 2018	2018 Global Marina Accreditation by Marina Industries Association, Australia	Sutera Harbour Marina & Country Club
March 2018	CTrip Travelers' Top Spots 2017 Best Food & Beverage Hotel	The Magellan Sutera Resort
Feb 2018	2017 Golf Circle Award Winner	The Magellan Sutera Resort



Property Business



Property Business



FY2019:

Revenue ↑ 238.3%

PBT ↑ 44.6%

- In FY2019, the Group's property development business achieved a 44.6% increase in profit before tax to S\$12.7 million on the back of a 238.3% surge in Group revenue to S\$72.2 million.
- This was attributed to the progressive sales recognized from the Group's Eaton Residences and Coral Bay projects in Malaysia.



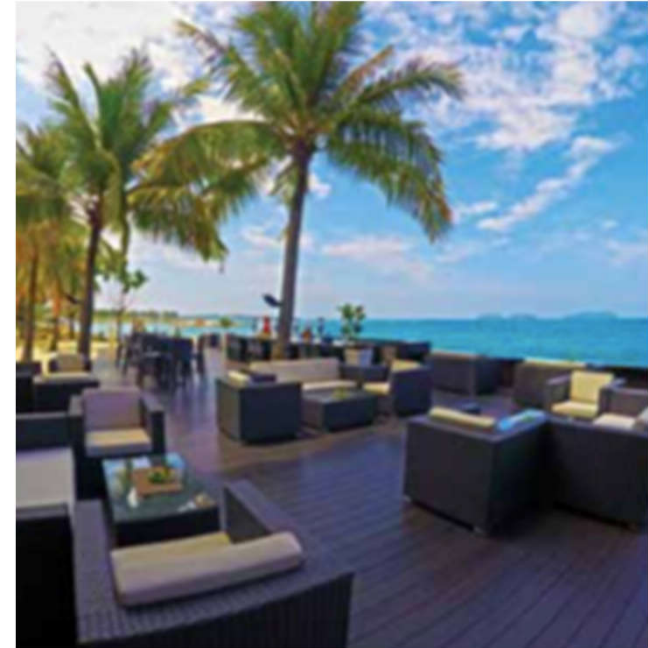


BUSINESS UPDATE



Business Update: Hospitality

- Strong start in January 2020 – Revenue up 16% increase to S\$7.9 million (Jan 2019: S\$6.8 m)
- Covid-19: Travel ban since 30 January 2020
- Malaysia’s Movement Control Order (“MCO”) implemented on 18 March 2020 - Group’s hospitality business in Sabah temporary closed until 12 May 2020.
- Cost reduction initiatives have been implemented, and overheads are partially mitigated by the various support measures from the Malaysian Government.



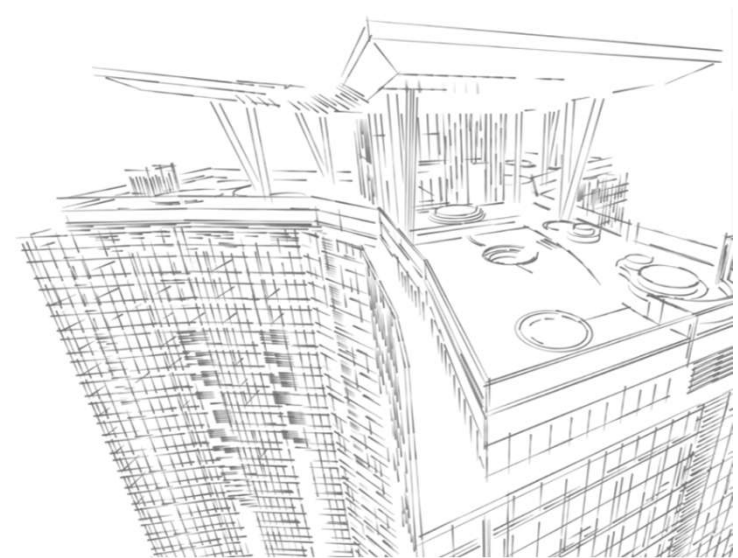
Business Update: Hospitality

- The Group's hospitality segment posted a 32% dip in Q1 2020 unaudited revenue of S\$13.2 million (Q1 2019: S\$19.5 million)
- Going forward, the COVID-19 pandemic situation is expected to continue to cast a negative impact on the Group's hospitality business.



Business Update: Property

- Construction on-site works progressing well.
- Property Business continuing good revenue recognition contributions, from the Eaton Residences and Coral Bay projects, registering an 332% increase in unaudited revenue to S\$29.4 million, for Q1 2020. (Q1 2019: S\$6.8 million)
- However, arising from MCO, construction works had to be suspended from 18 March 2020 till May 2020.
- Balance of the secured sales in Eaton Residences and Coral Bay of about S\$120 million will be progressively recognised over the development period of the projects.



Business Update: Property



Balance Sheet & Fundamentals

- As at 31 March 2020, the Group's balance sheet remain resilient, with a cash balance of S\$115 million and a net gearing ratio (excluding non-controlling interests) of 0.8 times.



EXTRAORDINARY GENERAL MEETING- 1 June 2020

1. Proposed Sale of Henan Zhongyuan Group

On 29 November 2019, Group entered into a conditional sale and purchase agreement in relation to the sale of the Group's entire 171 million shares in its associated company Henan Zhongyuan Four Seasons Aquatic Logistic Harbor Co.Ltd for a base consideration of RMB 278 million ("**Henan Zhongyuan**") ("**The Proposed Sale**").

Rationale:

- The Group acquired Henan Zhongyuan in March 2017 at a cash consideration of RMB 200 million. The Proposed Sale present an opportunity for the Group to yield a ROI of about 39% over a three years period.
- Proposed Sale presents a good opportunity for the Group to realise cash flow for its other businesses.

Accounting Effects of the Proposed Sale

Post-acquisition of Henan Zhongyuan, the Group commissioned a valuation exercise to ascertain its fair value, for accounting purposes. As the valuation was higher than the acquisition price, the Group's carrying amount of Henan Zhongyuan investment, in its accounts, was increased.

The carrying amount is also higher than The Proposed Sale's consideration, the Group had recognized an impairment loss of S\$13.7 million in the Group's audited consolidated financial statements for FY2019.

Key conditions of The Proposed Sale

- Approval from all necessary and applicable approvals and authorizations from various PRC's authorities.
- **APPROVAL BY GSH'S SHAREHOLDERS.** Such approval will be sought at the EGM to be held immediately following this AGM.

2. Share Buy-Back Mandate

Rationale:

- Greater flexibility in managing our capital and maximizing returns to our shareholders
- Improve return-on-equity, thereby increasing shareholder value
- Enhance the EPS and/or NTA value per share
- Mitigate short-term market volatility in the price of the Shares and bolster shareholders' confidence
- Treasury shares to be sold for cash, transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, or issued to employees as a form of compensation, which may be less dilutive than if new Shares were issued for this purpose.



Key Terms of the Share Buy-Back Mandate

- Maximum number of shares which may be purchased shall not exceed 10% of the total number of issued shares (excluding treasury shares).
- The mandate is valid until the next AGM date.
- The purchase price for the share buy-back must NOT exceed:
 - in the case of a market purchase, 5% above the average closing price* of the shares.
 - in the case of an off-market purchase, 20% above the average closing price* of the shares.

**Average closing price means average of the closing market prices of the shares over the last five market days*



QUESTIONS AND ANSWERS



QUESTION 1

Following the recent business update, has construction resumed for Eaton Residences and Coral Bay projects?

- Our Eaton Residences project had resumed construction and we expect construction for Coral Bay project to resume soon.

QUESTION 2

For the Group's development project in Bishan District in Chongqing, China, what is the total investment amount earmarked?

- The total initial investment in the joint venture's Chongqing project – in Bishan District – is approximately RMB 600 million. As we own a 51% stake in the joint venture, our initial investment is approximately RMB 300 million.

QUESTION 3

This is the Group's first real estate development project in China. Can management disclose the track record of its 49% partner?

- Our joint venture partner is an established real estate developer of residential and commercial projects in the Chongqing area. To date, they have four projects in various stages of completion, totaling over 1.5 million square metres in gross floor area.

QUESTION 4

How do you see the property market in Chongqing post-pandemic?

- We continue to be cautiously optimistic about China's property market in certain cities and segments.
- Bishan District in Chongqing, for example, has all the conveniences of being close to an urban hub, being just 50km from downtown Chongqing, and yet it has vast green spaces throughout the district.
- It has won the reputation of being a “National Garden City”, and was voted as one of the most liveable districts in Chongqing with its numerous gardens, lakes and 32 parks including the largest children's park in the whole of China.

QUESTION 5

When will the FY2019 dividend be disbursed?

- Once approved at this AGM, we shall be announcing the payment date, which is targeted to be 18 June 2020.



THANK YOU!

