



GSH CORPORATION LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

Table of Contents

A. Condensed interim consolidated statement of comprehensive income	2
B. Condensed interim statements of financial position.....	3
C. Condensed interim statements of changes in equity.....	4
D. Condensed interim consolidated statement of cash flows.....	6
E. Notes to the condensed interim consolidated financial statements.....	7
F. Other information required by Listing Rule Appendix 7.2	21

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	The Group		
		1st Half Ended		
		30.6.2023 Unaudited S\$'000	30.6.2022 Unaudited S\$'000	+/- %
Revenue	4	46,255	41,850	11%
Cost of Sales		(31,027)	(28,913)	7%
Gross profit		15,228	12,937	18%
Other net income		1,208	966	25%
Selling and marketing expenses		(1,735)	(1,716)	Nm
Administrative expenses		(12,234)	(9,122)	34%
Net impairment losses on financial assets		(432)	(16)	>100%
Results from operating activities		2,035	3,049	(33%)
Finance income		477	203	>100%
Finance expenses		(15,130)	(11,318)	34%
Net finance costs	8	(14,653)	(11,115)	32%
Loss before tax		(12,618)	(8,066)	56%
Tax (expense)/credit	7	(371)	2,735	(114%)
Loss for the period	6	(12,989)	(5,331)	>100%
Loss attributable to:				
Owners of the Company		(11,879)	(3,660)	>100%
Non-controlling interests		(1,110)	(1,671)	(34%)
Loss for the period		(12,989)	(5,331)	>100%
Other comprehensive loss ("OCI"), net of tax				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Exchange differences on monetary items forming part of net investments in foreign operations		(4,405)	(5,324)	(17%)
Foreign currency translation differences relating to foreign operations		(5,150)	(6,188)	(17%)
		(9,555)	(11,512)	(17%)
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences relating to foreign operations		(2,160)	(2,852)	(24%)
Other comprehensive loss, net of tax		(11,715)	(14,364)	(18%)
Total comprehensive loss for the period		(24,704)	(19,695)	25%
Total comprehensive loss attributable to				
Owners of the Company		(21,434)	(15,172)	41%
Non-controlling interests		(3,270)	(4,523)	(28%)
Total comprehensive loss for the period		(24,704)	(19,695)	25%

Nm - Not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE

	Note	Group		Company	
		30.06.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	30.06.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
ASSETS					
Property, plant and equipment	9	431,543	422,003	26,972	27,177
Investment property	10	4,574	4,531	-	-
Subsidiaries		-	-	40,171	40,171
Deferred tax assets		1,123	917	540	540
Non-current assets		437,240	427,451	67,683	67,888
Development properties	11	569,862	543,919	-	-
Contract costs		2,186	2,292	-	-
Contract assets		14,286	8,271	-	-
Inventories	12	5,490	5,349	-	-
Trade and other receivables	13	46,209	47,088	759	838
Amounts due from related parties		2,917	631	570,963	552,326
Tax recoverables		1,237	1,689	-	-
Time deposits		3,725	2,519	-	-
Cash and cash equivalents		61,639	91,169	3,546	4,589
Current assets		707,551	702,927	575,268	557,753
Total assets		1,144,791	1,130,378	642,951	625,641
EQUITY					
Share capital	14	344,163	343,458	344,163	343,458
Treasury shares		(5,580)	(5,580)	(5,580)	(5,580)
Reserves		(75,985)	(66,430)	908	908
Accumulated profits/(losses)		15,079	26,958	(51,688)	(40,183)
Equity attributable to owners of the Company		277,677	298,406	287,803	298,603
Non-controlling interests		121,951	125,221	-	-
Total equity		399,628	423,627	287,803	298,603
LIABILITIES					
Trade and other liabilities	15	420	416	-	-
Contract liabilities		1,403	1,436	-	-
Loans and borrowings	17	323,337	333,220	190,690	194,800
Deferred tax liabilities		37,650	38,819	-	-
Non-current liabilities		362,810	373,891	190,690	194,800
Trade and other liabilities	15	100,569	89,634	2,782	2,244
Provision	16	10,860	10,860	-	-
Contract liabilities		58,953	46,518	-	-
Amounts due to related parties		34,291	34,997	16,239	15,818
Derivative financial liabilities		271	-	-	-
Loans and borrowings	17	177,349	150,791	145,377	114,116
Current tax liabilities		60	60	60	60
Current liabilities		382,353	332,860	164,458	132,238
Total liabilities		745,163	706,751	355,148	327,038
Total equity and liabilities		1,144,791	1,130,378	642,951	625,641

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)					
Company	Share capital S\$'000	Treasury share S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 January 2023	343,458	(5,580)	908	(40,183)	298,603
Total comprehensive loss for the period					
Loss for the period	-	-	-	(11,505)	(11,505)
Total comprehensive loss for the period	-	-	-	(11,505)	(11,505)
Transactions with owners, recognised directly in equity					
Contributions by and distribution to owners					
Issue of new shares	705	-	-	-	705
As at 30 June 2023	344,163	(5,580)	908	(51,688)	287,803
As at 1 January 2022					
As at 1 January 2022	343,458	(5,580)	908	(20,735)	318,051
Total comprehensive loss for the period					
Loss for the period	-	-	-	(8,312)	(8,312)
Total comprehensive loss for the period	-	-	-	(8,312)	(8,312)
As at 30 June 2022	343,458	(5,580)	908	(29,047)	309,739

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		The Group	
		1st Half ended 30 June	
		2023	2022
Note		Unaudited	Unaudited
		S\$'000	S\$'000
Cash flows from operating activities			
	Loss for the period	(12,989)	(5,331)
	Adjustment for:		
	Depreciation of property, plant & equipment	6 5,305	5,567
	Interest expense	8 12,669	9,376
	Interest income	8 (477)	(203)
	Reversal of allowance for inventories	6 (1)	(3)
	Net loss/(gain) on disposal of property, plant & equipment	6 (53)	1
	Net reversal of allowance for trade receivables	6 461	2
	Reversal of inventories written down	6 -	(1,856)
	Net change in fair value of financial derivatives	6 271	-
	Tax credit	7 371	(2,735)
	Operating cashflows before working capital changes	5,557	4,818
	Changes in:		
	Development properties	(33,073)	(4,188)
	Contract costs	106	904
	Contracts assets/liabilities, net	6,387	68,684
	Inventories	(140)	3,869
	Trade and other receivables	449	(12,738)
	Trade and other liabilities	10,627	(6,000)
	Cash (used in)/from operations	(10,087)	55,349
	Tax paid, net	174	(310)
	Net cash (used in)/from operating activities	(9,913)	55,039
Cash flows from investing activities			
	Acquisition of property, plant and equipment	(23,073)	(14,658)
	Amount due from related parties	(2,301)	-
	Changes in deposits pledged	-	2,543
	Changes in time deposits	-	126
	Interest received	446	128
	Proceeds from sale of property, plant and equipment	79	18
	Net cash used in investing activities	(24,849)	(11,843)
Cash flows from financing activities			
	Changes in deposits pledged	(1,208)	-
	Changes in time deposits	(1,206)	-
	Interest paid	(12,495)	(10,102)
	Payment of lease liabilities	(345)	(253)
	Proceeds from loans and borrowings	90,662	141,145
	Repayment of loans and borrowings	(70,583)	(154,882)
	Net cash from/(used in) financing activities	4,825	(24,092)
	Net (decrease)/increase in cash and cash equivalents	(29,937)	19,104
	Effect of exchange rate fluctuations	(801)	13
	Cash and cash equivalents at beginning of the period	56,975	37,503
	Cash and cash equivalents at end of the period (Note A)	26,237	56,620
Note A: Cash and cash equivalents comprise:			
	Cash and cash equivalents in the statement of financial position	61,639	87,623
	Less: fixed deposits and cash balances pledged	(35,402)	(31,003)
	Cash and cash equivalents in the consolidated statement of cash flows	26,237	56,620
	Time deposits with maturities of more than three months	3,725	2,379
	Cash and cash equivalents and time deposits	29,962	58,999

E Notes to the condensed interim consolidated financial statements

1. Corporate information

GSH Corporation Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company is investment holding and provision of management services to its subsidiaries.

The principal activities of the Group are:

- a) Property development business
- b) Hospitality business
- c) Frozen food trading business

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The financial statements are presented in Singapore dollars (S\$), which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

No new and amended standards adopted by the Group.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

Note 4 – Revenue recognition

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next interim period are included in the following notes:

Note 7 – Estimation of current and deferred tax liabilities/(assets)

Note 9 – Measurement of recoverable amounts of property, plant and equipment

Note 11 – Estimation of provision of onerous contracts for development properties

Note 13 – Expected credit loss assessment for trade receivables

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

4.1 Reportable segment

	1st Half Ended 30 June 2023					1st Half Ended 30 June 2022				
	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Others* S\$'000	Total S\$'000	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Others* S\$'000	Total S\$'000
Segment revenue	23,042	20,379	2,834	1,596	47,851	12,237	23,317	6,296	1,486	43,336
Elimination of inter-segment revenue	-	-	-	(1,596)	(1,596)	-	-	-	(1,486)	(1,486)
External revenue	23,042	20,379	2,834	-	46,255	12,237	23,317	6,296	-	41,850
Interest income	38	416	20	3	477	34	142	8	19	203
Interest expense	(2,567)	(467)	-	(9,635)	(12,669)	(2,157)	(403)	(33)	(6,783)	(9,376)
<u>Other material non-cash items:</u>										
- Depreciation	(4,253)	(834)	(2)	(216)	(5,305)	(4,544)	(749)	(25)	(249)	(5,567)
- Reversal of inventories written down	-	-	-	-	-	-	-	1,856	-	1,856
- Net change in fair value of financial derivatives	-	(271)	-	-	(271)	-	-	-	-	-
Reportable segment (loss)/profit before tax	(208)	1,734	(993)	(13,151)	(12,618)	(6,544)	7,184	1,072	(9,778)	(8,066)
Tax (expense)/credit	(74)	(294)	-	(3)	(371)	1,368	1,371	-	(4)	2,735
Reportable segment (loss)/profit after tax	(282)	1,440	(993)	(13,154)	(12,989)	(5,176)	8,555	1,072	(9,782)	(5,331)
Reportable segment assets	332,788	775,179	7,780	29,044	1,144,791	359,562	723,850	11,155	43,235	1,137,802
Reportable segment liabilities	(166,410)	(223,342)	(264)	(355,147)	(745,163)	(169,115)	(191,152)	(1,074)	(309,999)	(671,340)
Capital expenditure	369	22,693	-	11	23,073	242	14,415	-	1	14,658

* Including general corporate activities

Geographical Information

	Revenue 1st Half Ended 30 June		Non-current assets ** As at 30 June	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Malaysia	34,469	35,554	326,200	354,128
China	11,786	6,296	80,672	51,668
Singapore	-	-	24,455	24,886
United Arab Emirates	-	-	4,790	4,695
Total	46,255	41,850	436,117	435,377

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

4.2 Disaggregation of Revenue

	1st Half Ended 30 June 2023				1st Half Ended 30 June 2022			
	Hospitality	Property	Trading	Total	Hospitality	Property	Trading	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Types of goods or service:								
Hotel income	10,425	-	-	10,425	4,810	-	-	4,810
Golf club related income	3,857	-	-	3,857	2,337	-	-	2,337
Sales of goods	8,760	-	-	8,760	5,090	-	-	5,090
Sales of development properties	-	20,379	-	20,379	-	23,317	-	23,317
Trading	-	-	2,834	2,834	-	-	6,296	6,296
	23,042	20,379	2,834	46,255	12,237	23,317	6,296	41,850
Timing of revenue recognition:								
Products transferred at a point in time	8,760	8,952	2,834	20,546	5,090	-	6,296	11,386
Products and services transferred over time	14,282	11,427	-	25,709	7,147	23,317	-	30,464
	23,042	20,379	2,834	46,255	12,237	23,317	6,296	41,850

5. Financial assets and financial liabilities (accounting classifications and fair value measurement)

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) **(Level 2)**; and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) **(Level 3)**

The carrying amounts of other financial assets and liabilities (excluding advance payments to supplier, prepayment, advance payments from customers, deferred income and lease liabilities) of the Group are reasonable approximation of their fair values due to relatively short-term maturity of these financial instruments.

The fair value of the borrowings approximate their carrying amounts.

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

Financial instruments**Accounting classifications & fair values**

	Carrying amounts		
	Amortised cost	Other financial liabilities	Total
	S\$'000	S\$'000	S\$'000
Group			
30 June 2023			
Financial assets not measured at fair value			
Trade and other receivables *	42,478	-	42,478
Amount due from related parties	2,917	-	2,917
Time deposits	3,725	-	3,725
Cash and cash equivalents	61,639	-	61,639
	110,759	-	110,759
Financial liabilities not measured at fair value			
Trade and other liabilities **	-	(96,652)	(96,652)
Loans and borrowings @	-	(498,653)	(498,653)
Amounts due to related parties	-	(34,291)	(34,291)
	-	(629,596)	(629,596)
31 December 2022			
Financial assets not measured at fair value			
Trade and other receivables *	40,383	-	40,383
Amount due from related parties	631	-	631
Time deposits	2,519	-	2,519
Cash and cash equivalents	91,169	-	91,169
	134,702	-	134,702
Financial liabilities not measured at fair value			
Trade and other liabilities **	-	(87,514)	(87,514)
Loans and borrowings @	-	(481,656)	(481,656)
Amounts due to related parties	-	(34,997)	(34,997)
	-	(604,167)	(604,167)

Company	Carrying amounts		
	Amortised cost	Other financial liabilities	Total
	S\$'000	S\$'000	S\$'000
30 June 2023			
Financial assets not measured at fair value			
Trade and other receivables *	278	-	278
Amounts due from related parties	570,963	-	570,963
Cash and cash equivalents	3,546	-	3,546
	<u>574,787</u>	<u>-</u>	<u>574,787</u>
Financial liabilities not measured at fair value			
Trade and other liabilities**	-	(2,782)	(2,782)
Loans and borrowings @	-	(336,067)	(336,067)
Amounts due to related parties	-	16,239	16,239
	<u>-</u>	<u>(322,610)</u>	<u>(322,610)</u>
31 December 2022			
Financial assets not measured at fair value			
Trade and other receivables *	275	-	275
Amounts due from related parties	552,326	-	552,326
Cash and cash equivalents	4,589	-	4,589
	<u>557,190</u>	<u>-</u>	<u>557,190</u>
Financial liabilities not measured at fair value			
Trade and other liabilities**	-	(2,244)	(2,244)
Loans and borrowings @	-	(308,916)	(308,916)
Amounts due to related parties	-	(15,818)	(15,818)
	<u>-</u>	<u>(326,978)</u>	<u>(326,978)</u>
* Excludes advance payments to suppliers and prepayments			
** Excludes advance payments from customers and deferred income			
@ Excludes lease liabilities			

6. Loss for the period

6.1 Significant items

	1st Half Year Ended		
	30.06.2023	30.06.2022	+/-
	Unaudited S\$'000	Unaudited S\$'000	%
Income			
Rental income	(822)	(477)	72%
Expenses			
Personnel expenses inclusive of executive directors' remuneration	10,012	9,047	11%
Depreciation of property, plant and equipment	5,305	5,567	(5%)
Foreign currency exchange loss, net	2,190	1,942	13%
Reversal of inventories written down	-	(1,856)	Nm
Reversal of allowance for inventories	(1)	(3)	(67%)
Net reversal of allowance for trade receivables	461	2	>100%
Adjustment for over provision of tax in respective of prior years	(6)	(4)	50%
Net change in fair value of financial derivatives	271	-	Nm
Net (gain)/loss on disposal of property, plant and equipment	(53)	1	>100%
Nm - Not meaningful			

6.2 Related party transactions

The following significant transactions took place between the Group and related parties during the 6 months period ended 30 June 2023 ("1H 2023"):

Two directors subscribed for series 3 and 4 of the Company's commercial papers (3 months tenor) during 1H 2023 amounting to \$26,000,000 (30 June 2022: Nil)

Interest expense incurred on loans and borrowings related to the directors amounted to \$4,137,693 (30 June 2022: \$2,780,804).

The Company borrowed and entered into two short-term shareholder loan agreements with a controlling shareholder for loans amounted to \$30,000,000 during 1H 2023.

The Company's subsidiary lent and entered into a short-term loan agreement with a related party (a director and non-controlling interests of the subsidiary) amounted to \$2,301,099 during 1H 2023.

Key management personnel remuneration			
Key management personnel remuneration is as follows:			
	1st Half Ended		
	30.06.2023	30.06.2022	+/-
	Unaudited S\$'000	Unaudited S\$'000	%
Short term employee benefits	1,049	899	17%
Post-employment benefits (including Central Provident Fund)	47	38	24%
	1,096	937	17%

7. Taxation

The Group calculates the period income tax (expense)/credit using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (expense)/credit in the condensed interim consolidated statement of profit or loss are:

	1st Half Ended		
	30.6.2023 Unaudited S\$'000	30.6.2022 Unaudited S\$'000	+/- %
Corporate income tax expense	(34)	(166)	(80%)
Deferred income tax expense relating to origination and reversal of temporary differences	251	3,539	(93%)
Withholding tax	(588)	(638)	(8%)
	<u>(371)</u>	<u>2,735</u>	<u>(114%)</u>

8. Net finance costs

	1st Half Ended		
	30.6.2023 Unaudited S\$'000	30.6.2022 Unaudited S\$'000	+/- %
Interest income	477	203	>100%
Finance income	477	203	>100%
Interest expense from:			
- bank and other loans	(11,030)	(8,437)	31%
- lease liabilities	(1,111)	(330)	>100%
- Others	(152)	(220)	(31%)
Amortisation of transaction costs previously capitalised	(376)	(389)	(3%)
Finance expense	(12,669)	(9,376)	35%
Net change in fair value of financial derivatives	(271)	-	>100%
Net foreign exchange loss	(2,190)	(1,942)	13%
Finance costs	<u>(15,130)</u>	<u>(11,318)</u>	<u>34%</u>
Net finance costs recognised in profit or loss	<u>(14,653)</u>	<u>(11,115)</u>	<u>32%</u>

9. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to S\$23,073,000 (30 June 2022: S\$14,658,000) and disposed of assets amounting to S\$26,000 (30 June 2022: S\$19,000).

The Group reviews the carrying amounts of the assets as at 30 June 2023 to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment and other long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group's financial condition and results of operations.

10. Investment Property

	Group	
	30.06.2023	31.12.2022
	Unaudited	Audited
	S\$'000	S\$'000
At 1 January	4,531	4,557
Effect of movements in exchange rates	43	(26)
At 30 June/ 31 December	<u>4,574</u>	<u>4,531</u>

Investment property comprises leasehold commercial property leased to external customers, held for capital appreciation and rental income. The leasehold property is situated in Jebel Ali Free Zone Area, Dubai, with an initial non-cancellable lease period of 15 years and an option to renew.

The Group has assessed the appropriateness of the fair values of investment property as at 30 June 2023, and there is no change in fair values.

11. Development properties

	Group	
	30.06.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Development properties for sale		
Development costs	75,422	77,847
Properties under development		
Land and land related costs	269,185	274,876
Development costs	233,550	199,581
Government grant utilised	(8,295)	(8,385)
	<u>494,440</u>	<u>466,072</u>
	<u>569,862</u>	<u>543,919</u>

Estimation of provision of onerous contract for development properties

The Group assesses at every reporting date whether any provision of onerous contract is required. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract. As at the reporting date, no provision of onerous contract is recognised.

12. Inventories

	Group	
	30.06.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Food and beverage	280	303
Spare parts and consumables	391	477
Merchandise	43	10
Trading goods	4,776	4,559
	<u>5,490</u>	<u>5,349</u>

13. Trade and other receivables

	Group		Company	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Trade receivables	23,511	21,922	12	19
Less: Allowance for doubtful receivables	(930)	(484)	-	-
	22,581	21,438	12	19
Deposits	1,081	1,098	4	1
Interest receivables	124	116	-	-
Other receivables	18,692	17,731	262	255
	42,478	40,383	278	275
Advances to suppliers	2,457	5,523	4	4
Prepayments	1,274	1,182	477	559
	46,209	47,088	759	838
Current	46,209	47,088	759	838

Expected credit loss assessment for trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are based on actual credit loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

14. Share capital

	Group and Company			
	30.06.2023		31.12.2022	
	Unaudited	Audited	Unaudited	Audited
	Number of shares	S\$'000	Number of shares	S\$'000
Issued and fully paid ordinary shares				
At 1 January	1,977,036,050	343,458	1,977,036,050	343,458
Issue of new shares	4,144,161	705	-	-
	1,981,180,211	344,163	1,977,036,050	343,458
Treasury shares	(20,102,500)	(5,580)	(20,102,500)	(5,580)
At 30 June/ 31 December	1,961,077,711	338,583	1,956,933,550	337,878

The Group monitors capital using a net debt equity ratio, which is adjusted net debt divided by total equity. For this purpose, adjusted net debt is defined as total loans and borrowings less cash and cash equivalents. Total equity includes equity attributable to equity holders of the Company and reserves.

During the financial period ended 30 June 2023, there were 4,144,161 (2022: Nil) new shares being issued from conversion of \$705,000 (2022: \$ Nil) of Convertible Bond.

14. Share capital (cont'd)

	Group	
	30.06.2023	31.12.2022
	Unaudited S\$'000	Audited S\$'000
Total loans and borrowings	500,686	484,011
Attributable to owners of the Company	464,608	445,542
Attributable to non-controlling interests	36,078	38,469
Less: Cash and cash equivalents and time deposit	(65,364)	(93,688)
Attributable to owners of the Company	(59,702)	(77,075)
Attributable to non-controlling interests	(5,662)	(16,613)
Net borrowings	435,322	390,323
Attributable to owners of the Company	404,906	368,467
Attributable to non-controlling interests	30,416	21,856
Total equity	399,628	423,627
Attributable to owners of the Company	277,677	298,406
Attributable to non-controlling interests	121,951	125,221
Net debt equity ratio	1.09	0.92
Net debt equity ratio (excluding non-controlling interests)	1.46	1.23

There was no treasury shares movement from 1 January 2023 to 30 June 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at 30 June 2023.

15. Trade and other liabilities

	Group		Company	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Trade payables	65,460	54,634	-	-
Accrued operating expenses	8,671	8,670	2,750	2,228
Provisions	11,464	11,464	-	-
Rental and other deposits	1,001	6,002	5	5
Other payables	10,056	6,744	27	11
	96,652	87,514	2,782	2,244
Advance payments from customers	3,757	1,950	-	-
Deferred income	580	586	-	-
	100,989	90,050	2,782	2,244
Non-current	420	416	-	-
Current	100,569	89,634	2,782	2,244
	100,989	90,050	2,782	2,244

16. Provision

	Group	
	30.06.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Provision	10,860	10,860

By a High Court judgment dated 8 July 2022 (“Judgment”), the Company’s wholly owned subsidiary, Borneo Ventures Pte Ltd (“BV”) was awarded inter alia damages fixed at MYR 26,117,500 and interest of 5.33% per annum on that amount from 26 March 2014 to the date of full payment. The Judgment was the outcome of assessment of damages proceedings in the suit BV filed in 2016 against Ong Han Nam (“Ong”), who is the minority shareholder and director of The Sutera Harbour Group Sdn. Bhd (“Suit”). Between 4 August 2022 to 11 August 2022, BV received payments totalling \$11.68 million from Ong towards settlement of the judgment debt.

As of 31 December 2022, the Group has recognised the paid awarded sum as other income in its profit or loss account.

By way of background: -

- a. BV acquired a majority stake in the companies which owned the Sutera Harbour properties on 26 March 2014. One of these companies was Sutera Harbour Golf & Country Club Berhad (“SHGCC”).
- b. In the said acquisition, Ong warranted that a piece of land measuring 1.459 acres located within the Sutera Harbour properties (“Subject Land”) was owned by SHGCC. Prior to completion of the acquisition on 26 March 2014, Ong caused SHGCC to sell the Subject Land to a company he owned and controlled by way of a sale and purchase agreement (“S&P”).
- c. The Suit related to the breach of this warranty. In the Suit, the remedies sought by BV were inter alia for (1) a mandatory injunction requiring Ong to restrain his company from completing the sale of the Subject Land and/ or enforcing the S&P and to cause his company to agree to void / discharge / terminate the S&P, and/or (2) for damages to be assessed.
- d. By a High Court judgment dated 5 May 2020, the injunctions sought by BV were granted. However, the injunctions were subsequently set aside on appeal. Ong was instead ordered to pay to BV damages to be assessed as mentioned above.
- e. On 20 July 2022, Ong appealed against the Judgement to the Appellate Division of the High Court. The appeal was heard on 9 March 2023 with judgment being reserved.

The Group had made a provision of \$10.86 million for the financial year ended 31 December 2022.

17. Loans and borrowings

	Group		Company	
	30.06.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	30.06.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Amount repayable within one year or on demand				
Secured				
Bank loans	72,306	76,763	40,746	40,777
Lease liabilities	3	17	-	-
	<u>72,309</u>	<u>76,780</u>	<u>40,746</u>	<u>40,777</u>
Unsecured				
Shareholder loan	80,000	50,000	80,000	50,000
Bank loans	1,254	1,240	1,254	1,240
Lease liabilities	409	672	-	-
Commercial papers	23,377	22,099	23,377	22,099
	<u>105,040</u>	<u>74,011</u>	<u>104,631</u>	<u>73,339</u>
	<u>177,349</u>	<u>150,791</u>	<u>145,377</u>	<u>114,116</u>
Amount repayable after one year				
Secured				
Bank loans	242,489	251,156	111,850	114,798
Unsecured				
Bank loans	1,717	2,348	1,717	2,348
Lease liabilities	1,621	1,666	-	-
Redeemable preference shares	387	396	-	-
Convertible notes	77,123	77,654	77,123	77,654
	<u>80,848</u>	<u>82,064</u>	<u>78,840</u>	<u>80,002</u>
	<u>323,337</u>	<u>333,220</u>	<u>190,690</u>	<u>194,800</u>
Total loans and borrowings	<u>500,686</u>	<u>484,011</u>	<u>336,067</u>	<u>308,916</u>

Details of any collateral

As at 30 June 2023, part of the Group's borrowings was secured by legal charges on the Group's development properties of S\$303.6 million (31 December 2022: S\$248.2 million), property, plant and equipment of S\$104.1 million (31 December 2022: S\$193.4 million), time deposits of S\$3.7 million (31 December 2022: S\$2.4 million) and cash and cash equivalents of S\$31.7 million (31 December 2022: S\$31.2 million).

18. Loss per ordinary share

	1st Half Ended		
	30.06.2023	30.06.2022	+/- %
Loss per ordinary share of the Group based on net loss attributable to shareholders:-			
i) Based on weighted average number of shares (cents)	(0.606)	(0.187)	-224%
-Weighted average number of shares ('000)	1,961,078	1,956,934	
ii) On a fully diluted basis (cents)	(0.606)	(0.187)	-224%
-Adjusted weighted average number of shares ('000)	1,961,078	1,956,934	

The financial impact of the convertible notes was excluded from the calculation of the loss attributable to ordinary shareholders (diluted) for the period ended 30 June 2023 as their effect would have been anti-dilutive.

The weighted average number of ordinary shares detailed above is used for both the basic and diluted earnings per share as there are no dilutive potential ordinary shares outstanding.

19. Net asset value

	Group			Company		
	30.06.2023 (S\$ cents)	31.12.2022 (S\$ cents)	+/- %	30.06.2023 (S\$ cents)	31.12.2022 (S\$ cents)	+/- %
Net asset value per ordinary share	14.16	15.25	-7.1%	14.68	15.26	-3.8%

20. Contingent liabilities

Pending arbitration involving Investasia Sdn. Bhd.

A claim of RM132,440,349 (approximately \$40,340,000) was lodged by a supplier NTSJ Construction (M) Sdn. Bhd in 2022 against the Company's subsidiary, Investasia Sdn. Bhd. The subsidiary is vigorously contesting the claim, which in the Group's opinion, lack merit.

The arbitration is on-going, and the outcome of which is uncertain. The Group is unable to reasonably estimate the financial impact of the outcome of the arbitration. Therefore, no provision for any liability has been made in these financial statements.

21. Post balance sheet event

Disposal of property

On 12 July 2023, the Company had entered into a sale and purchase agreement for the disposal of its property at No. 20 Cecil Street #28-01, #28-02, #28-03, #28-04, #28-05, #28-06, #28-07, #28-08 and #28-09 PLUS Singapore 049705, as announced in the Company's announcement dated 12 July 2023.

F Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statements of financial position of GSH Corporation Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. 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.

Between 22 May 2023 to 30 June 2023, the Company had allotted and issued 4,144,161 Conversion Shares to Bondholders at the Conversion Price, as announced in the Company's announcement dated 3 July 2023.

As at 30 June 2023, up to 456,310,791 (31 December 2022: up to 460,454,952) new shares of the Company may be issued upon conversion of the Convertible Notes that were issued by the Company on 12 October 2021.

3. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Profit and Loss

Group revenue for 1H2023 increased by 11% to S\$46.3 million, generating an operating profit of S\$2.0 million (1H2022: S\$3.0 million), and a net loss after tax of S\$13.0 million (1H2022: S\$5.3 million).

On a segmental basis, the Group's hospitality business continued to recover and posted a 88% increase in revenue to S\$23.0 million in 1H2023.

The Group's property business registered a 13% decline in revenue to S\$20.4 million, due mainly to reduced sales from its Eaton Residences project.

Administrative expenses in 1H2023 rose by S\$3.1 million to S\$12.2 million, due mainly to higher personnel expenses, maintenance and utilities expenses from the Group's hospitality segment.

Other expenses in 1H2023 increased from S\$16,000 to S\$0.4 million, mainly arising from the provisional impairment of trade receivables.

Finance expenses in 1H2023 rose by S\$3.8 million to S\$15.1 million, mainly attributed to the foreign exchange losses arising from the weakening Malaysian Ringgit and higher interest rates.

Statement of Financial Position

The increase in development properties and contract assets, from S\$552.2 million as at 31 December 2022, to S\$584.1 million as at 30 June 2023, was due mainly to capitalisation of construction costs incurred for the Group's property development projects in both Malaysia and China.

The increase in trade and other liabilities, from S\$90.1 million as at 31 December 2022 to S\$101.0 million as at 30 June 2023, due mainly to the higher trade payables for the Group's Coral Bay project as construction pace had picked up.

The increase in loans and borrowings, from S\$484.0 million as at 31 December 2022 to S\$500.7 million as at 30 June 2023, was mainly from new shareholder loans (see note 6.2).

The increase in contract liabilities, from S\$48.0 million as at 31 December 2022 to S\$60.4 million as at 30 June 2023, was for the higher advances received from contractual customers for the Group's PRC project.

Cash Flow Analysis

For the 6 months ended 30 June 2023, the Group's operating cash flow before working capital changes was S\$5.6 million. However, after adjusting for working capital changes, it recorded a net cash outflow from operating activities of S\$9.9 million.

The Group registered a net cash outflow from investing activities of S\$24.8 million, following the addition of property, plant and equipment of S\$23.1 million.

The Group recorded a net cash inflow from financing activities of S\$4.8 million, which was due mainly to the net proceeds from borrowings of S\$20.1 million.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

5. 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.

We continue to see a recovery in tourist arrivals in Kota Kinabalu, Sabah and our hospitality business is expected to gain from that.

With the opening of travel from China, we are also seeing increased interest in the property business in Malaysia.

The real estate industry in China remains challenging.

6. 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

(e) If no dividend have been declared/recommended, a statement to that effect.

No dividend has been declared as the Group is conserving its funds for working capital.

7. 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.

8. 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.

9. Negative Assurance Confirmation Under Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company ("BOD"), we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the BOD which may render the condensed interim financial statements for the six-month period ended 30 June 2023 to be false or misleading in any material respect.

On behalf of the BOD

**Gilbert Ee Guan Hui
Chief Executive Officer**

**Goi Kok Ming (Wei Guoming)
Chief Operating Officer**

BY ORDER OF THE BOARD

**Lee Tiong Hock
Company Secretary
10 August 2023**