



## **PRESS RELEASE**

# **GSH posts 1H20 net profit of S\$395,000 despite Covid-19 impact, boosted by progressive sales recognition from residential projects in Malaysia**

- *Group revenue up 14.7% to S\$65.8 million, led by a 94% increase in Property segment*

**SINGAPORE – 6 August 2020** – Mainboard-listed **GSH Corporation Limited** (“GSH” or the “Group”) reported today its net profit attributable to shareholders for the first half of FY2020 reached S\$395,000.

This was achieved on the back of a 14.7% rise in Group revenue to S\$65.8 million year-on-year, boosted by the continued progressive sales recognition from its two residential development projects – Eaton Residences in Kuala Lumpur and Coral Bay in Kota Kinabalu -- which drove revenue from its Property segment up 94.0% to S\$41.8 million.

Its hospitality business, comprising two hotels in Sutera Harbour Resort and an island resort in the Mantanani Islands in Sabah, was off to a strong start at the beginning of the year, but was later impacted by the emergence of the pandemic in China and South Korea, which ultimately led to a suspension of all domestic and international travellers to Sabah following the imposition of the “Movement Control Order” by the Malaysian government from 18 March 2020 to 12 May 2020. For the six months to 30 June 2020, revenue from the Group’s hospitality business decreased 58.8% to S\$14.8 million.

In its latest interim results, the Group reported, for the first time, that its new Trading segment - through its 50.4%-owned joint venture company, GSH International Enterprise in Qingdao, Shandong Province - posted first-half revenue of S\$9.2 million since it commenced operations late 2019. The joint venture provides a one-stop, fully integrated frozen foods supply chain ranging from purchasing, logistics, to financing through the major ports in China. In the next few years, the joint venture plans to develop a

B2B digital platform for a complete supply chain solution, integrating suppliers, logistics providers and buyers onto an integrated online platform.

### **Financial Position**

As at 30 June 2020, the Group's net asset value per ordinary share stood at 19.39 Singapore cents while its earnings per share for the first-half year was 0.02 Singapore cent. Cash and cash equivalents remained robust, at S\$95.9 million.

Said Mr Gilbert Ee (余源辉), GSH's Chief Executive Officer: *"Whilst we understand that Malaysia has approached various countries in the region to establish "green lane" access for essential business and official travel, there is still no visibility as to when border restrictions can be lifted for the international traveling public. For the present moment, the easing of domestic travel within Malaysia, which commenced in June 2020, has partially helped to invigorate our hotel business. Meanwhile construction works have resumed for Eaton Residences and Coral Bay, and we are planning to launch our second project in Kuala Lumpur at an appropriate time."*

*"We are also excited about our foray in China – a luxury residential and hotel development project in Bishan District, Chongqing. Construction of the hotel is slated for completion by end 2022, while the residential component is targeted to commence in early 2023 and complete by end 2024."*

On 26 July 2020, the Group's 51% joint venture, GSH Properties (Chongqing) Co., Ltd, had a ground breaking ceremony for the first phase of its luxury residential and hotel project in Bishan District, Chongqing. The joint venture company was awarded the 270,818 square metres of prime land in a government tender in December 2019 for more than RMB500 million.

The site, which overlooks the serene and breathtaking Yuhu Lake (御湖), one of the largest in the area, yields a maximum gross floor area of 231,313 square metres and will be developed into a luxury hotel (occupying GFA of 61,777 square metres) and 1600-unit residential condominium (GFA of 169,536 square metres). The first phase of the project will commence with the hotel, yielding some 300 rooms, comprising GFA of about 42,000 square metres.

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For more information, please contact:

**Tishrei Communications**

HO See Kim, [seekim@tishrei.sg](mailto:seekim@tishrei.sg)

*Tel: 9631 3602*