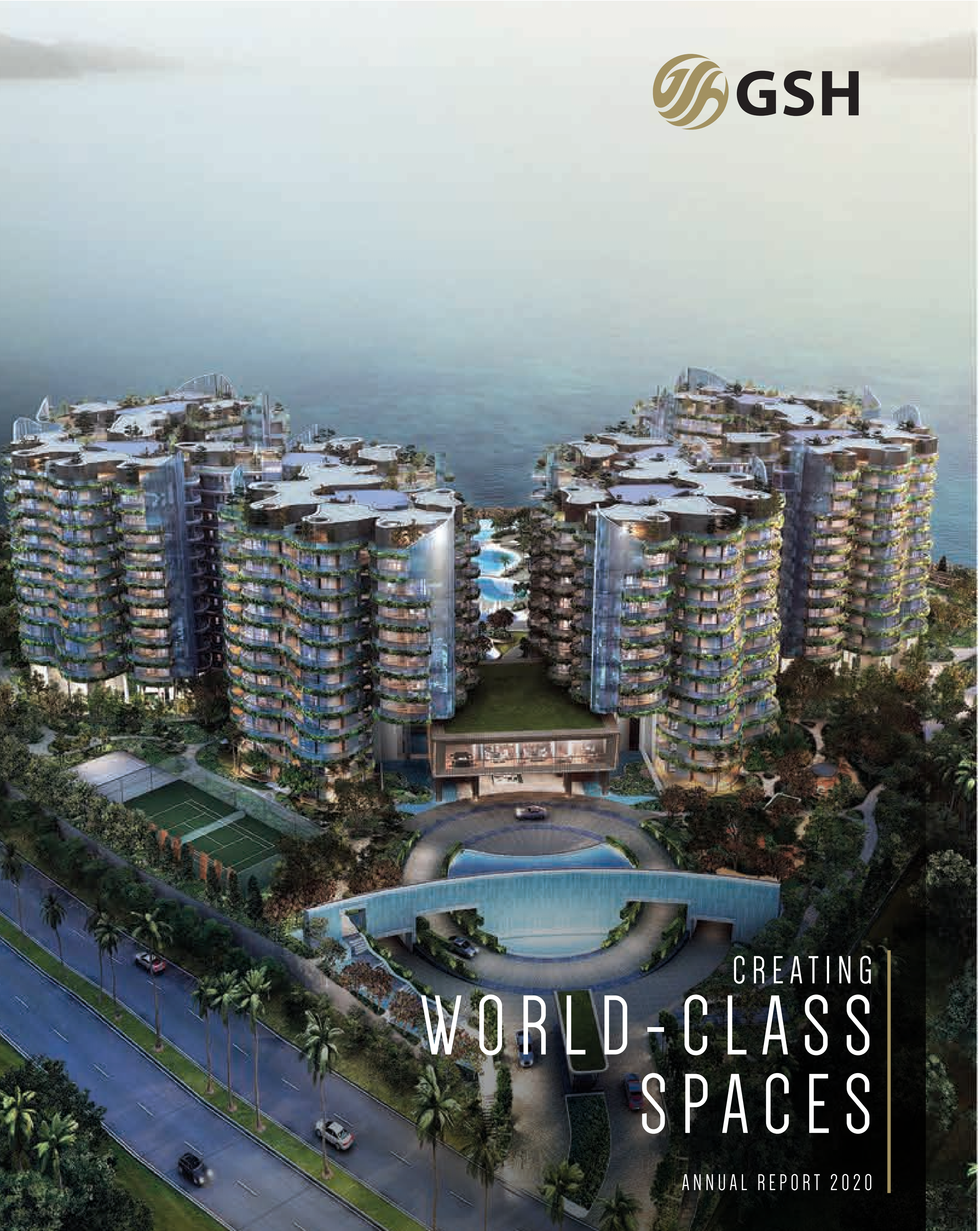


GSH

CREATING WORLD-CLASS SPACES

ANNUAL REPORT 2020

MISSION

To grow stakeholder value from delivering premium real estates and services for the residential, commercial and hospitality markets in Asia and beyond.

VISION

Creating world-class spaces for living, business and leisure.

CORPORATE PROFILE

Listed on the Mainboard of the Singapore Exchange, GSH Corporation Limited is a growing property developer in Southeast Asia, with five properties under development in Malaysia and China. It also owns and operates the Sutera Harbour Resort in Kota Kinabalu, comprising two five-star hotels, a 104-berth marina and a 27-hole championship golf course, and the idyllic Sutera@Mantanani Resort on the Mantanani Islands in Sabah.

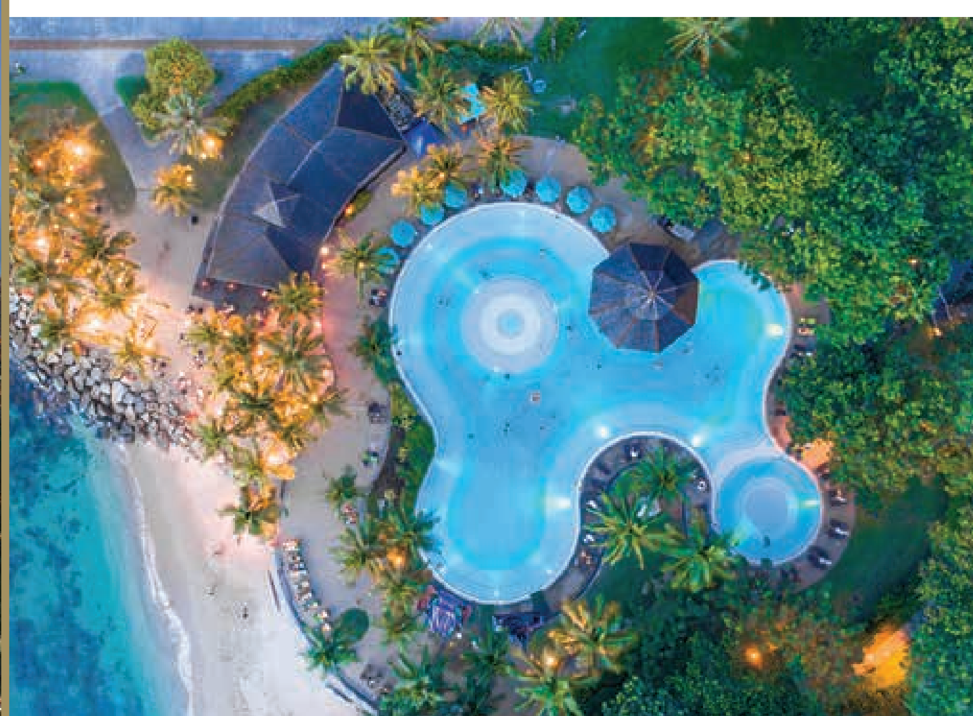
CONTENTS

AT A GLANCE
RESIDENTIAL/HOSPITALITY

CORAL BAY
Located next to The Magellan Sutera Resort, Coral Bay is an uber-luxurious oceanfront residential project with premium finishes and full condominium facilities. Nestled within the gated precinct of Sutera Harbour, Coral Bay sits on the most coveted land parcels earmarked for residential developments in Kota Kinabalu.

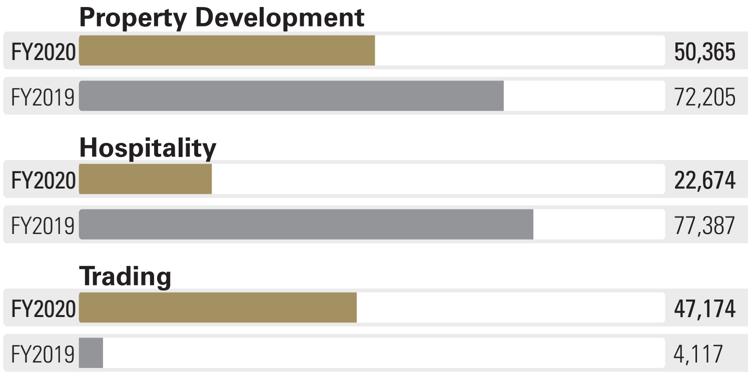
EATON RESIDENCES
This residential project at Jalan Kia Peng will be developed into high-end service apartments with full condominium facilities.

SUTERA HARBOUR RESORT
The 384-acre Sutera Harbour Resort in Kota Kinabalu is GSH Corporation's flagship in its Hospitality business segment, providing steady recurrent income from its room and food and beverage operations.

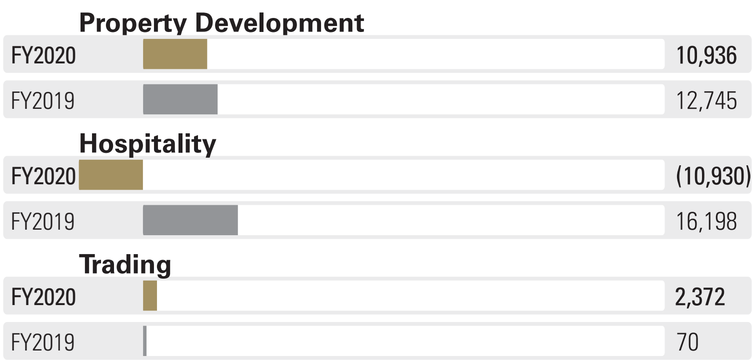


AT A GLANCE
FINANCIAL HIGHLIGHTS

REVENUE BY ACTIVITY (S$'000)



PROFIT/(LOSS) BEFORE TAX (S$'000)



PROPERTY DEVELOPMENT
In FY2020, the Group's property business registered a 30% decrease in revenue to S$50.4 million, due to slower progressive recognition of sales from the Group's Eaton Residences and Coral Bay projects in Malaysia. This was because the Group only recognizes sales according to the percentage of completion in the construction of its projects. During the year, progress on construction for these properties was affected by the measures taken by the Malaysian government to control the spread of Covid-19, which included the temporary suspension of construction activities. When construction activities were subsequently allowed to resume, requirements such as testing, isolation and safe distancing, affected the progress of construction.

HOSPITALITY
For the full year ended 31 December 2020, the Group's hospitality segment posted a 71% decline in revenue to S$22.7 million.

Its two hotels in Sutera Harbour Resort and the island resort of Sutera @ Mantanani, in Kota Kinabalu, Sabah, was off to a strong start in January 2020 when they achieved a 16% increase in unaudited revenue to S$7.9 million. (January 2019: S$6.8 million).

However, the spread of the COVID-19 outbreak in China and South Korea, sparked a suspension of all Chinese and Korean flights and visitors to Sabah, since 30 January 2020 and 1 March 2020, respectively. Prior to the suspension, China and South Korea were the two largest contributors to international arrivals to Sabah, and a major source of business for our hospitality business.

Due to the continued international border closures, the Group's resorts focused on the domestic business and this was dependent on varying restrictions or relaxation measures, taken by the Malaysian government to control the spread of Covid-19.

Meanwhile, the Group continued to carry out its cost and overhead reduction initiatives which were partially mitigated by the various support measures from the Malaysian Government.

The Group's hospitality segment registered a loss before tax of S$10.9 million, which included depreciation of S$9.0 million.

TRADING
The Group commenced its frozen foods supply chain trading business in China, in the second half of FY2019. In FY2020, the trading business continued to grow, and registered a revenue of S$47.2 million and a profit before tax of S$2.4 million.

MESSAGE TO SHAREHOLDERS

" We are excited about our first luxury residential and hotel development project in Bishan District, near Chongqing, China, for which site works and construction have begun."

Dear Shareholders,

2020 was an extremely challenging year, to say the least. The Covid-19 pandemic had affected all of our lives and businesses around the world. A year into the pandemic, the world is still learning to live and work in the new normal, but there is renewed hope as more and more countries begin their vaccination programmes.

The continued MCO restrictions in Malaysia imposed earlier this year, further affected the construction progress of Eaton Residences in Kuala Lumpur and Coral Bay in Kota Kinabalu, which impacted our ability to recognize the progressive sales contributions, from these projects.

In addition, the movement restrictions effectively stopped both international and domestic travel, and badly affected our hospitality business in Kota Kinabalu.

Financial Highlights

For the full year ended 31 December 2020, the Group posted a net loss of S$15.8 million, on the back of a 21.8% dip in revenue to S$120.2 million, which included a one-off reclassification of foreign currency translation of S$3.4 million, and one-off capital gain tax of S$1.5 million, arising from the Group's disposal of associate company, Henan Zhongyuan Four Seasons Aquatic Logistic Harbor Co. Ltd, for an aggregate consideration of RMB278 million on 3 September 2020.

MESSAGE TO SHAREHOLDERS

This resulted in the Group turning in a loss per share of 0.72 Singapore cents, while net asset value per ordinary share stood at 19.02 Singapore cents. The Group's cash and cash equivalents as of 31 December 2020 remained strong at S$81.7 million.

Consequently, as a result of the Covid-19 pandemic, revenue from the Group's property development business, slid 30% year-on-year to S$50.4 million while our hospitality business in Sabah saw a 71% decline to S$22.7 million. During the year, we adopted digital solutions to market our properties, as well as further marketing our hospitality business online. In addition, we curated staycation packages and food & beverage promotions that continued to utilize assets of the hospitality business catering to the domestic market. This substantially mitigated the loss in tourism business in our hotels.

On a more positive note, our new 50.4% stake in joint venture company, GSH International Enterprise in Qingdao, which provides a one-stop, fully integrated frozen foods supply chain, ranging from purchasing, logistics, to financing, through 5 major ports in China, namely, Qingdao, Tianjin, Dalian, Shanghai and Yantian, reported an 11-fold jump in full-year revenue to S$47.2 million in FY2020. The joint venture company serves more than 2,600 domestic buyers in 700 cities all over China.

The Road Ahead

At this time, we are witnessing a substantial decline in the Covid-19 cases in Malaysia and the region. This current trend, combined with increasing vaccination initiatives of the countries, should provide better business conditions ahead, barring unforeseen circumstances and future outbreaks.

In the meantime, we are excited about our first luxury residential and hotel development project in Bishan District, near Chongqing, China, for which site works and construction have begun.

Chongqing, the largest metropolis in China's Southwest, is building its second international airport in Bishan District. According to recent news reports, Chongqing Airports Group (CAGC) has called for tender for the survey of the Bishan site and indicated that construction is slated to commence in 2022. Costing RMB60 billion, the new international airport will have the handling capacity for 70 million passengers and 3.5 million tonnes of freight. We envisage that this new airport will further boost domestic and international arrivals to Bishan District, which will be beneficial to our project.

In January this year, we appointed the main contractor for the construction of the hotel and villas, and we expect construction to complete by end 2022. The villas, which are strata-titled, have garnered strong interest from local buyers, signaling a robust Bishan real estate market. The residential component of our Bishan project is targeted to commence in early 2023 and complete by end 2024.

We are also optimistic that our Qingdao joint venture company, GSH International Enterprise, will gain traction in its growth plans. In the next few years, the Company plans to develop a B2B digital platform, for a complete supply chain solution, integrating suppliers, logistics providers and buyers onto an integrated online platform. The joint venture is in the food supply chain business, and helps to diversify our businesses that have been impacted by Covid-19 pandemic.

Appreciation

Undoubtedly, most businesses and companies have been severely affected by the pandemic. This has also been an extremely challenging and difficult year for the Group, particularly in the regions where we operate in. Nevertheless, we are most grateful to all of the directors on the board for steering the Group through such an unprecedented time as this. We would like to express appreciation to our management and staff, for their unwavering commitment, and for the sacrifices they have made as we navigate through difficult times.

We would also like to thank all of our other stakeholders for their support and encouragement. We look forward to a safe and better year ahead.

Sam Goi Seng Hui
Executive Chairman

Gilbert Ee Guan Hui
Chief Executive Officer

OUR PROPERTY PORTFOLIO

RESIDENTIAL

PETALING STREET RESIDENCES

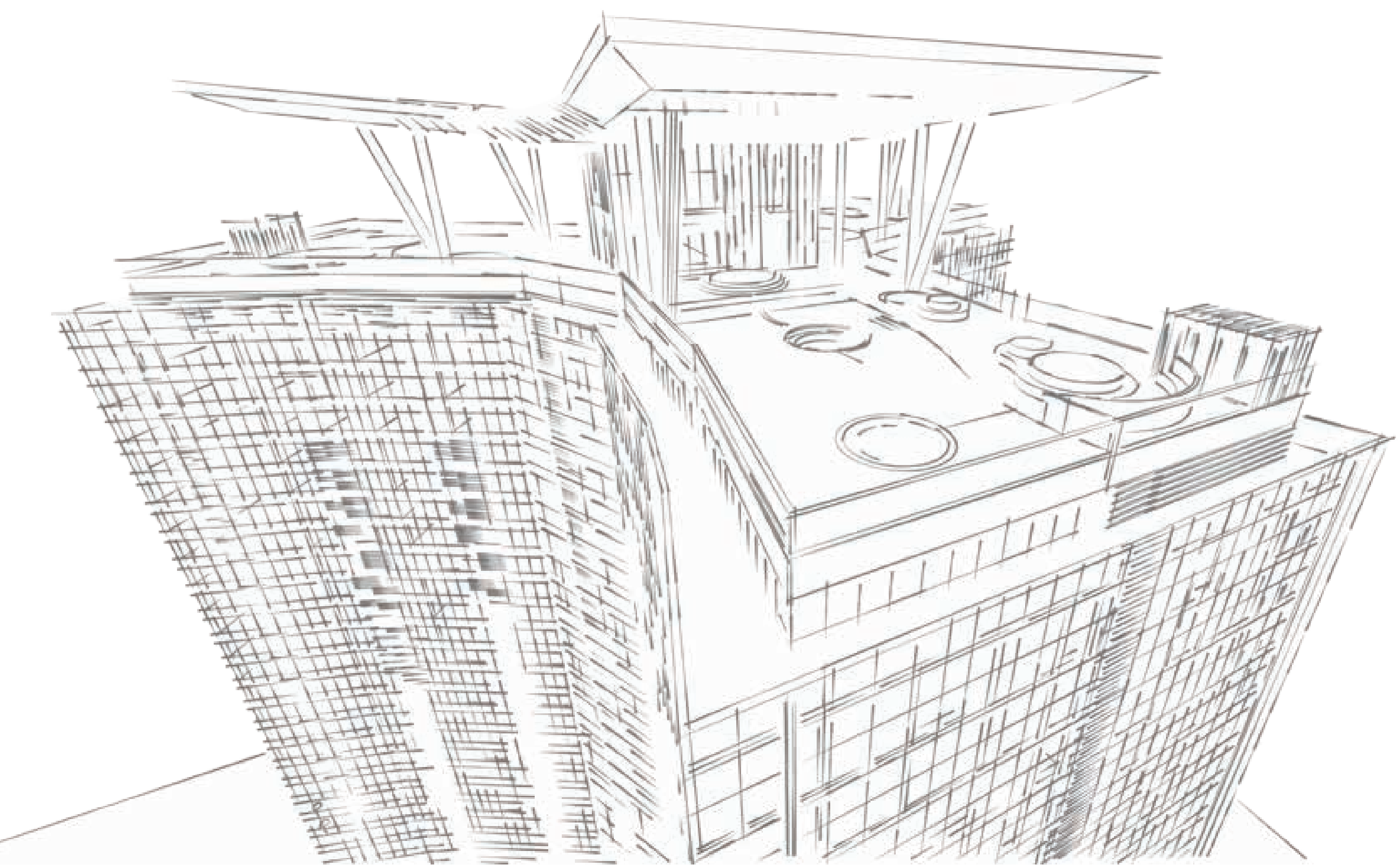
KUALA LUMPUR, MALAYSIA

Site Area:
3.44 acres

Our second luxury residential project in Kuala Lumpur, Petaling Street Residences, will be a 69-storey modern skyscraper in the heart of Kuala Lumpur's historical Chinatown precinct.

Yielding around 1,889 apartment units, Petaling Street Residences boasts a pool deck and gym at Level 68 as well as a roof top viewing deck offering a panoramic view of the city. It is only a 5-minute walk to Chinatown and Pasar Seni MRT station.

The Group owns 50% of the Petaling Street Residences project.



OUR PROPERTY PORTFOLIO

RESIDENTIAL

EATON RESIDENCES

KUALA LUMPUR, MALAYSIA

Gross Floor Area:
747,746 sq ft

Site Area:
1.42 acres

Located along Embassy Row in the heart of KLCC and minutes to the uber-chic shopping belt of Bukit Bintang in the capital city's triple-A precinct, Eaton Residences is a vision of true contemporary grandeur and functionality for purveyors of distinctive city living.

Presenting unblocked panoramic views of the Royal Selangor Golf Club and the famed Petronas Twin Towers, Eaton Residences cuts a distinctive silhouette with its ultra-luxe glass face and iconic rooftop infinity pool – the first and highest cantilevered sky pool in Kuala Lumpur.

With 632 versatile and privacy-centric living spaces from levels 9 to 49, Eaton Residences redefines modern urban living. This is where the well heeled can enjoy the company of friends and loved ones with gastronomic experiences at the lush pavilion on level 8 or simply indulge in a good book at the organic-shaped Sky Terrace deck on level 34. Fitness buffs can work out at the rooftop gym overlooking the infinity pool at level 50.

The Group owns 100% of the Eaton Residences project.

OUR PROPERTY PORTFOLIO

RESIDENTIAL

CORAL BAY

KOTA KINABALU, MALAYSIA

Gross Floor Area:
1,285,401 sq ft

Site Area:
12.11 acres

Located next to The Magellan Sutera Resort, Coral Bay is an uber luxurious oceanfront residential project with premium finishes and full condominium facilities. Nestled within the gated precinct of Sutera Harbour, Coral Bay sits on the most coveted land parcels earmarked for residential developments in Kota Kinabalu.

The Group owns 100% of Coral Bay project.

OUR PROPERTY PORTFOLIO
RESIDENTIAL

THE POINT

KOTA KINABALU, MALAYSIA

Site Area:
13.12 acres

Located at the tip of the Sutera Harbour gated precinct, The Point is an exclusive condominium offering 360-degree views of the ocean and Kota Kinabalu's famed Jesselton Point Waterfront. Part of the luxurious collection of water-front homes in the Sutera Harbour enclave, The Point is a rare fusion of urban chic and gorgeous ocean views.

The Group owns 75% of The Point project.

CHONGQING PROJECT

BISHAN DISTRICT, CHONGQING

Site Area:
66.92 acres

Our first real estate project in China – comprising a 1600-unit residential condominium and a 319-room luxury hotel -- is located some 23 km away from the heart of Chongqing - the largest metropolis in China's Southwest.

Bishan (璧山区), which means "Jade Mountain" in Chinese, is reputed for its extensive flora and fauna, lush flower gardens, nurseries, and vegetable and fruit farms. It also has more than 20 million square metres of public green spaces, 116 kilometres of urban greenways and 32 parks including China's largest children's park, the Fengxianghu Children's Park, which attracts a host of domestic tourists.

The Group owns 51% of the Project.

OUR PROPERTY PORTFOLIO

HOSPITALITY

OUR PROPERTY PORTFOLIO

HOSPITALITY

SUTERA HARBOUR RESORT

KOTA KINABALU, MALAYSIA

Site Area:
384 acres

The Resort comprises two five-star hotels – the 500-room Pacific Sutera and the 456-room Magellan Sutera – as well as the Sutera Harbour Marina, Golf & Country Club with its 104-berth marina and an award-winning 27-hole championship golf course designed by Graham Marsh. It also has 15 restaurants and bars, two grand ballrooms, 28 meeting rooms and a 100-seat auditorium for meetings, incentive travel, conventions and exhibitions (MICE).

Sutera Harbour Resort is the only destination in Kota Kinabalu that offers a five-star businessclass hotel and resort attached to a 27-hole Graham Marsh-designed championship golf course, a state-of-the-art marina and clubhouse. As Borneo's largest and most extensive convention and banquet facility, the resort is the most sought-after venue for MICE events and is a beautiful mix of luxury, recreation and lifestyle.

The Resort is just 10 minutes by boat from the popular scuba diving destination of Sabah's Tengku Abdul Rahman Marine National Park, the five islands that make up the Marine Park boast crystal-clear waters, abundant marine life and stunning coral reefs.

Expanding into nature and adventure tourism in Sabah, the Resort also operates the North Borneo Railway – a mid-century British steam train that takes visitors on a nostalgic rediscovery of rail travel into the heart of Borneo.

The Group owns 51% of the Project.

THE MAGELLAN SUTERA RESORT

456 Rooms and Suites

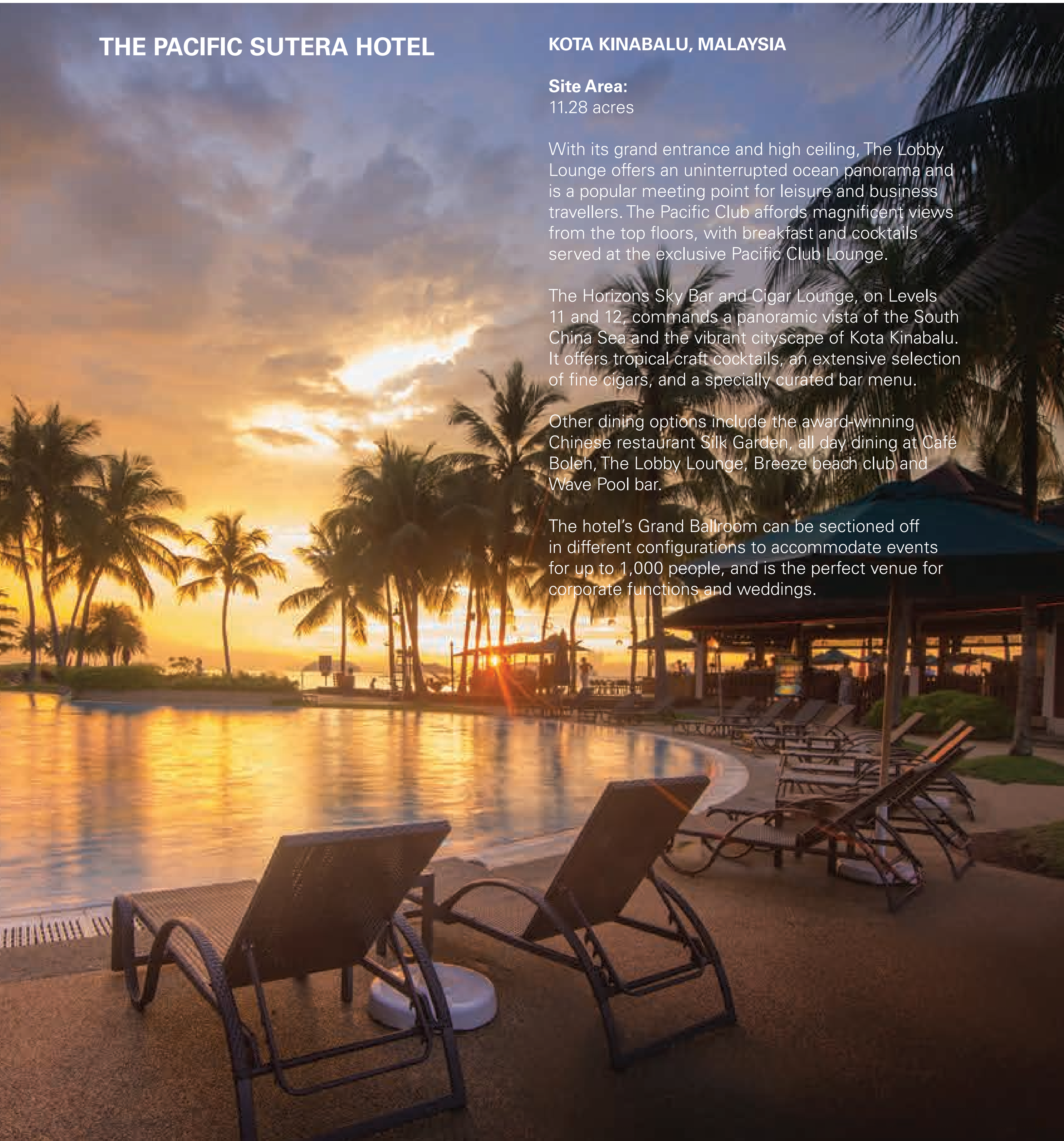
All of its luxuriously-appointed rooms and suites feature balconies that offer magnificent vistas of its manicured gardens or the azure tranquility of the South China Sea.

The 456-room Magellan Sutera Resort's unique architecture is inspired by the longhouses of Borneo – a tribute to the Rungus people of Sabah. All of its luxuriously appointed rooms and suites feature balconies that offer magnificent vistas of its manicured gardens or the azure tranquillity of the South China Sea.

Its food and beverage options include an awardwinning Italian restaurant Ferdinands; Five Sails, an all-day dining restaurant serving a wide selection of Malaysian and continental cuisine; the Al Fresco restaurant, serving an extensive selection of pasta and wood-fired pizza; Muffinz, for deli favourites as well as Tarik's Lobby Lounge for casual bites.

OUR PROPERTY PORTFOLIO

HOSPITALITY



THE PACIFIC SUTERA HOTEL

KOTA KINABALU, MALAYSIA

Site Area:
11.28 acres

With its grand entrance and high ceiling, The Lobby Lounge offers an uninterrupted ocean panorama and is a popular meeting point for leisure and business travellers. The Pacific Club affords magnificent views from the top floors, with breakfast and cocktails served at the exclusive Pacific Club Lounge.

The Horizons Sky Bar and Cigar Lounge, on Levels 11 and 12, commands a panoramic vista of the South China Sea and the vibrant cityscape of Kota Kinabalu. It offers tropical craft cocktails, an extensive selection of fine cigars, and a specially curated bar menu.

Other dining options include the award-winning Chinese restaurant Silk Garden, all day dining at Café Boleh, The Lobby Lounge, Breeze beach club and Wave Pool bar.

The hotel's Grand Ballroom can be sectioned off in different configurations to accommodate events for up to 1,000 people, and is the perfect venue for corporate functions and weddings.

OUR PROPERTY PORTFOLIO
HOSPITALITY

SUTERA HARBOUR MARINA, GOLF & COUNTRY CLUB

27-hole Award-Winning Championship Golf Course

The Club's 27-hole golf course is built on undulating terrain and divided into 43 distinct courses of varying difficulty.

At the heart of the extensive Sutera Harbour Resort property is the Sutera Harbour Marina, Golf & Country Club which features a 27-hole awardwinning championship golf course designed by Graham Marsh, a 41-bay covered driving range, and a 104-berth marina that can accommodate 13 mega yachts and 91 smaller vessels.

The Club's 27-hole golf course is built on undulating terrain and divided into 43 distinct courses of varying difficulty. At night, 20 holes are lit, including nine holes of the Lake Course, nine holes of the Garden Course and two finishing holes of the Heritage Course.

There is also a 41-bay two-tier covered driving range that overlooks a scenic lake. Use of the golf course is exclusively for the patrons of The Magellan Sutera and The Pacific Sutera as well as club members and their guests.

The Marina's deep-water marina is well equipped, deep enough for most yachts of up to 180 feet and protected all year round from extreme weather conditions. Established in 1998, this Marina is a hub for yachting and sailing in Southeast Asia. Berthing services are available for short and long-term rental.

OUR PROPERTY PORTFOLIO

HOSPITALITY

SUTERA @ MANTANANI RESORT

70 deluxe villas

Acquired by the Group in December 2018, the Sutera@Mantanani Resort, managed by Sutera Harbour Resort, is an exclusive island resort, with 70 beach-fronting villas, set amidst the idyllic Mantanani Islands, some 40km northwest from the coastal town of Kota Belud, some 80km north of Kota Kinabalu.

From the city, it is about one and half hours by car to Kota Belud, and a 30-minute boat ride from Kota Belud jetty to Mantanani Islands.

Coveted for its powdery white beaches, crystal clear waters and rich marine life, the Resort offers some of the best scuba diving and snorkelling activities with its fully equipped dive centre, or other water sports such as kayaking against the stunning backdrop of Mount Kinabalu. Fishing enthusiasts will enjoy a peaceful time angling at a deserted island, or learning how to fish like the locals. Those wanting the ultimate thrill can also heat out for a spot of game fishing.

On full-moon nights, the Resort organizes the magical Blue Tears tour – where bioluminescent plankton lights up the sea with its characteristic bluish glow.

A perfect holiday destination, Sutera@Mantanani offers full-board dining options at its Lumba-Lumba Island Café, which serves local and international cuisine.

BOARD OF DIRECTORS

BOARD OF DIRECTORS

SAM GOI SENG HUI
Executive Chairman

FRANCIS LEE CHOON HUI
Vice Chairman and
Lead Independent Director

GILBERT EE GUAN HUI
Chief Executive Officer

GOI KOK MING
(WEI GUOMING)
Chief Operating Officer

MICHAEL GRENVILLE GRAY
Independent Director

HUANG LUI
Independent Director

JULIETTE LEE HWEE KHOON
Non-Executive Director

WENDELL WONG HIN PKIN
Independent Director

TAM CHEE CHONG
Independent Director

BOARD OF DIRECTORS

SAM GOI SENG HUI
Executive Chairman

Date of first appointment as a director
23 July 2012

Date of last re-election as a director
20 April 2018

Length of service as a director (as at 31 December 2020)
8 years 5 months

Shares in the Company
1,170,586,275

Present Directorships (as at 31 December 2020)
Listed Companies
- GSH Corporation Limited
- Envictus International Holdings Limited (Etika)
- JB Foods Ltd
- Tung Lok Restaurants (2000) Ltd

Group Companies of GSH Corporation Limited
- Advanced Prestige Sdn Bhd
- Altheim International Limited
- City View Ventures Sdn Bhd
- Eastworth Source Sdn Bhd
- Investasia Sdn.Bhd.
- Linyi Properties Sdn Bhd
- Mainfield Holdings Limited
- Mewabumi Sdn Bhd
- Mxim Holdings Pte Ltd
- Rainbow Properties Sdn Bhd
- Sutera Harbour Golf & Country Club Berhad
- Sutera Harbour Travel Sdn Bhd
- Sutera Harbour Resort Sdn Bhd
- Sutera Yacht Services Sdn Bhd
- The Little Shop Sdn Bhd
- The Sutera Harbour Group Sdn Bhd
- Xing Asia Impel Sdn Bhd

Non-listed companies
- Acelink Logistics Pte Ltd
- China World Agents Limited
- Chinatown Food Corporation Pte Ltd
- Desaru Property Development Sdn Bhd
- Fujian Guanhui Food Enterprise Co Ltd
- Fujian Mingwei Food Enterprise Co Ltd
- Guan Hui Food Enterprise Company Limited
- Hydrex International Pte Ltd
- Junhe Investment Pte Ltd
- Maker Food Manufacturing Pte Ltd
- New Straits Holdings Pte Ltd
- Oregold Pte Ltd
- Ritz Properties Sdn Bhd
- Ryushobo (S) Pte Ltd
- T&T Gourmet Cuisine Pte Ltd
- Tee Yih Jia Food Manufacturing Pte Ltd
- Tee Yih Jia Food Manufacturing Sdn Bhd
- Twin Investment Pte Ltd
- TYJ Group Pte Ltd
- TYJ International Pte Ltd
- Vive La Sdn Bhd

Past Directorships over the last 3 years (2018 to 2020)
- Fujian Ryushobo Food Co Ltd
- Henan Zhongyuan Four Seasons Aquatic Logistic Harbor Co Ltd
- Singapore University of Technology and Design
- Super Elite Holdings Pte Ltd
- Tan Kah Kee Foundation
- TYJ Holdings (HK) Ltd
- Yangzhou Junhe Property Development Co Ltd

Major Appointments (other than Directorships)
- Non-Executive Chairman of Hanwell Holdings Limited
- Vice Chairman of Envictus International Holdings Limited
- Vice-Chairman of JB Foods Limited
- Singapore's Non-Resident Ambassador to the Federative Republic of Brazil
- Justice of the Peace – Republic of Singapore
- Enterprise 50 Club's Honorary Past President and Vice Chairman of IE Singapore's "Network China" Steering Committee
- Regional Representative for Fuzhou City and Fujian Province
- Senior Consultant to Su-Tong Science & Technology Park
- Honorary Chairman for the International Federation of Fuqing Association
- Honorary Chairman of Ulu Pandan Citizens Consultative Committee
- Honorary Chairman of Dunman High School Advisory Committee
- Patron for Advancement - Singapore University for Technology and Design

Background and Working Experience
- Executive Chairman of Tee Yih Jia Food Manufacturing Pte Ltd since 1977
- Managing Director of Sing Siah Electrical Engineering Pte Ltd – 1969
- Investments across a range of listed and private entities in numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics.

Awards
- Pearl of the Orient Award – World Chinese Economic Forum – 2019
- Benefactors Fellow Award from Singapore University for Technology and Design – 2019
- Special Tribute Award from The People's Tribune magazine (People's Daily) in China – 2017
- Asian Strategy & Leadership Institute's Lifetime Achievement Award in 2016
- State Award of Panglima Gemilang Darjah Kinabalu (PGDK) from the Head of State of Sabah – 2015
- SG50 Outstanding Chinese Business Pioneers Award in 2015
- Enterprise Asia's Lifetime Achievement Award in 2015
- Businessman of the Year Award by Singapore's Business Times – 2014
- Public Service Star (Bar) – BBM(L) in 2014
- Long Service Award from Singapore's People's Action Party – 2015

BOARD OF DIRECTORS

LEE CHOON HUI FRANCIS
Vice Chairman and Lead Independent Director

Date of first appointment as a director
11 July 2003

Date of last re-election as a director
01 June 2020

Length of service as a director (as at 31 December 2020)
17 years 5 months

Committee Memberships
- Remuneration Committee (Chairman)
- Audit and Risk Committee
- Nominating Committee

Academic & Professional Qualifications
- Barrister at Law, London (1970)
- Advocate & Solicitor, Singapore (1970)

Present Directorships (as at 31 December 2020)
Listed Companies
- GSH Corporation Limited
- Sunright Ltd

Group Companies of GSH Corporation Limited
- Advanced Prestige Sdn Bhd
- Altheim International Limited
- Eastworth Source Sdn Bhd
- Investasia Sdn Bhd
- Mainfield Holdings Limited
- MXIM Holding Pte Ltd
- Sutera Harbour Golf & Country Club Berhad
- Sutera Harbour Travel Sdn Bhd
- Sutera Harbour Resort Sdn Bhd
- The Little Shop Sdn Bhd
- The Sutera Harbour Group Sdn Bhd
- Xing Asia Impel Sdn Bhd

Non-listed companies
- Corporate Ventures Pte Ltd
- Corporate Ventures International Ltd
- Phillip Enterprise Fund Limited
- Phillip Ventures Enterprise Fund 5 Limited

Past Directorships over the last 3 years (2018 to 2020)
NIL

Major Appointments (other than Directorships)
- Chairman, International Year of the Reef 2008, Singapore Blue Plan 2009

Background and Working Experience
- Practiced mainly as a Corporate Lawyer for some 22 years (1970-1992).
- Practiced as a Consultant for Mergers and Acquisitions for some 28 years (1992-2020).

Awards
- Award for contribution to Indonesian marine tourism, by Indonesian Ambassador to Singapore (2000).
- Award for 21 Leaders for the new millennium, by US Boating Industry Magazine (2000).
- Award of Seakeeper of Singapore, by The International Seakeepers Society, USA (2017).

BOARD OF DIRECTORS

GILBERT EE GUAN HUI

Chief Executive Officer and Executive Director

Date of first appointment as a director
01 May 2007

Date of last re-election as a director
29 April 2019

Length of service as a director (as at 31 December 2020)
13 years 8 months

Shares in the Company
158,543,078

Committee Memberships
- Nominating Committee

Academic & Professional Qualifications
- Bachelor of Business Administration, National University of Singapore

Present Directorships (as at 31 December 2020)
Listed Company
- GSH Corporation Limited

Group Companies of GSH Corporation Limited
- Advanced Prestige Sdn Bhd
- Altheim International Limited
- Aspirasi Kukuh Sdn. Bhd.
- Borneo Ventures Pte Ltd
- City View Ventures Sdn Bhd
- Eastworth Source Sdn Bhd
- GSH (Middle East) Pte Ltd
- GSH Properties (PRC) Pte Ltd
- GSH Properties (Chongqing) Co., Ltd
- GSH (Zhengzhou) Investments Pte Ltd
- GSH Facilities Management (Malaysia) Sdn Bhd
- GSH International Enterprise Pte Ltd
- GSH Island Investments Pte Ltd
- GSH Properties (Malaysia) Pte Ltd
- GSH Properties Pte Ltd
- Investasia Sdn.Bhd.
- Linyi Properties Sdn Bhd
- Mainfield Holdings Limited
- Mewabumi Sdn Bhd
- MXIM Holdings Pte Ltd
- Ocean View Point Pte Ltd
- Ocean View Ventures Pte Ltd
- Prime Peninsular Holdings Pte Ltd
- Rainbow Properties Sdn Bhd
- Sutera Harbour Golf & Country Club Berhad
- Sutera Harbour Resort Sdn Bhd
- Sutera Harbour Travel Sdn Bhd
- Sutera Yacht Services Sdn Bhd
- The Little Shop Sdn Bhd
- The Sutera Harbour Group Sdn Bhd
- Twin Towers Properties Limited
- Xing Asia Impel Sdn. Bhd

Non-listed companies
- DG Assets Inc
- Oxley JV Pte Ltd
- Solstice Investments Pte Ltd
- Solstice Development Pte Ltd

Past Directorships over the last 3 years (2018 to 2020)
- GSH Investments Limited
- Henan Zhongyuan Four Seasons Aquatic Logistic Harbor Co Ltd

Background and Working Experience
- Held various management positions in Barclays Capital and Citibank, Singapore (1988 to 1998)
- Regional Head of Global Financial Markets at Rabobank International, Singapore (1998 to 2006)

BOARD OF DIRECTORS

GOI KOK MING (WEI GUOMING)

Chief Operating Officer and Executive Director

Date of first appointment as a director
23 July 2012

Date of last re-election as a director
01 June 2020

Length of service as a director (as at 31 December 2020)
8 years 5 months

Academic & Professional Qualifications
- Bachelor in Computer Information System, California State University, Pomona.

Present Directorships (as at 31 December 2020)
Listed Companies
- GSH Corporation Limited
- Hanwell Holdings Limited
- Serial System Ltd
- Union Steel Holdings Limited

Group Companies of GSH Corporation Limited
- Advanced Prestige Sdn Bhd
- Altheim International Limited
- Aspirasi Kukuh Sdn Bhd
- Borneo Ventures Pte Ltd
- City View Ventures Sdn Bhd
- Eastworth Source Sdn Bhd
- GSH (Middle East) Pte Ltd
- GSH Properties (Chongqing) Co. Ltd
- GSH Properties (PRC) Pte Ltd
- GSH (Xiamen) Property Development Pte Ltd
- GSH (Zhengzhou) Investments Pte Ltd
- GSH Facilities Management (Malaysia) Sdn Bhd
- GSH International Enterprise Pte Ltd
- GSH Island Investments Pte Ltd
- GSH Properties (Malaysia) Pte Ltd
- GSH Properties Pte Ltd
- Investasia Sdn Bhd
- Linyi Properties Sdn Bhd
- Mainfield Holdings Limited
- Mewabumi Sdn Bhd
- MXIM Holdings Pte Ltd
- Ocean View Point Pte Ltd
- Ocean View Ventures Pte Ltd
- Prime Peninsular Holdings Pte Ltd
- Qingdao Timi Supply Chain Co. Ltd
- Rainbow Properties Sdn Bhd
- Sutera Harbour Golf & Country Club Berhad
- Sutera Harbour Resort Sdn Bhd
- Sutera Harbour Travel Sdn Bhd
- Sutera Yacht Services Sdn Bhd
- The Little Shop Sdn Bhd
- The Sutera Harbour Group Sdn Bhd
- Twin Towers Properties Limited
- Xing Asia Impel Sdn Bhd

Non-listed companies
- Acelink Logistics Pte Ltd
- Junhe Investment Pte Ltd
- Ritz Properties Sdn Bhd
- Tee Yih Jia Food Manufacturing Pte Ltd
- TYJ Group Pte Ltd
- Vive La Sdn Bhd

Past Directorships over the last 3 years (2018 to 2020)
- GSH Investments Limited
- Super Elite Holdings Pte Ltd

Major Appointments (other than Directorships)
- Member of the Community Development District Council, South East Region
- Patron – Braddell Heights Community Club

Awards
- Entrepreneur of the Year – Enterprise Asia – 2019

Background and Working Experience
- Director in Tee Yih Jia Food Manufacturing Pte Ltd (1997 to present)
- Director in Acelink Logistics Pte Ltd (1999 to present)
- Non-Executive Director in Hanwell Holdings Limited (2014 to present)

BOARD OF DIRECTORS

MICHAEL GRENVILLE GRAY
Independent Director

Date of first appointment as a director
17 October 2007

Date of last re-election as a director
29 April 2019

Length of service as a director (as at 31 December 2020)
13 years 2 months

Committee Memberships
- Audit and Risk Committee (Chairman)
- Remuneration Committee

Academic & Professional Qualifications
- Bachelor of Science in Maritime Studies, Plymouth University UK
- Master of Arts in South East Asian Studies, University of Singapore
- Doctor of Business (Honoris Causa) from the University of Newcastle
- Fellow of Institute of Chartered Accountants in England & Wales
- Fellow of Institute of Singapore Chartered Accountants
- Fellow of Singapore Institute of Directors
- Fellow of Chartered Institute of Transport & Logistics

Present Directorships (as at 31 December 2020)
Listed Companies
- GSH Corporation Limited
- Avi-Tech Electronics Limited
- FSL Trust Management Pte Ltd

Non-listed companies
- UON Singapore Pte Ltd

Past Directorships over the last 3 years (2018 to 2020)
- TGY Property Investments Pte Ltd
- Tras Street Property Investment Ltd

Background and Working Experience
- Merchant Navy Officer (1962 to 1973)
- Coopers & Lybrand UK (1973 to 1978)
- Coopers & Lybrand/PricewaterhouseCoopers Singapore (1978 to 2004). Partner from 1981 and Managing Partner Indochina (1994 to 2001)

Major Appointments (other than Directorships)
- PAVE (President)

Awards
- Public Service Star (Bar) – B.B.M. [L] (2010)

LEE HWEE KHOON, JULIETTE
Non-Executive Director

Date of first appointment as a director
23 July 2012

Date of last re-election as a director
01 June 2020

Length of service as a director (as at 31 December 2020)
8 years 5 months

Committee Memberships
- Audit and Risk Committee
- Remuneration Committee

Academic & Professional Qualifications
- Master in Business Administration BA (Strategic Management), Maastricht School of Management

Present Directorships (as at 31 December 2020)
Listed Company
- GSH Corporation Limited

Group Companies of GSH Corporation Limited
- City View Ventures Sdn Bhd

Non-listed companies
- Chinatown Food Corporation Pte Ltd
- Durian Master Pte Ltd
- Ee Hoe Food Marketing Sdn. Bhd.
- Fujian Guanhui Food Enterprise Co Ltd
- Fujian Mingwei Food Enterprise Co Ltd
- Fujian Ryushobo Food Co Ltd
- Guan Hui Food Enterprise Company Limited
- Junhe Investment Pte Ltd
- Maker Food Manufacturing Pte Ltd
- Ryushobo (S) Pte Ltd
- T&T Gourmet Cuisine Pte Ltd
- Taste United Pte Ltd
- Tee Yih Jia Food Manufacturing Pte Ltd
- Tee Yih Jia Food Manufacturing Sdn Bhd
- Twin Investment Pte Ltd
- TYJ International Pte Ltd

Past Directorships over the last 3 years (2018 to 2020)
- Fujian Ryushobo Food Co Ltd
- Super Elite Holdings Pte Ltd
- Tianjin Junhe Industrial Corporation Limited
- Yangzhou Junhe Property Development Co Ltd
- Ultra Harmony Development Sdn Bhd

Background and Working Experience
- Executive Director, Tee Yih Jia Food Manufacturing Pte Ltd (1992 to present)
- General Manager of Rongcheng Brewery, Fuzhou, Fujian Province (2000 to 2001)

BOARD OF DIRECTORS

HUANG LUI
Independent Director

Date of first appointment as a director
23 August 2012

Date of last re-election as a director
29 April 2019

Length of service as a director (as at 31 December 2020)
8 years 4 months

Committee Memberships
- Nomination Committee (Chairman)
- Audit and Risk Committee (stepped down on 1 February 2021)
- Remuneration Committee (stepped down on 1 February 2021)

Academic & Professional Qualifications
- Bachelors of Law, University of Singapore
- Master of law, University of Singapore

Present Directorships (as at 31 December 2020)
Listed Company
- GSH Corporation Limited

Past Directorships over the last 3 years (2018 to 2020)
NIL

Major Appointments (other than Directorships)
- Partner, Wee Swee Teow LLP Advocates & Solicitors

Background and Working Experience
- Wee Swee Teow & Co. Advocates & Solicitors (1971 till present)

WENDELL WONG HIN PKIN
Independent Director

Date of first appointment as a director
1 January 2020

Date of last re-election as a director
01 June 2020

Length of service as a director (as at 31 December 2020)
1 year

Committee Memberships
- Remuneration Committee (appointed on 1 February 2021)

Academic & Professional Qualifications
- LL.B.(Hons), National University of Singapore (1997)
- Attorney-General's Chambers, Singapore (1997-2000)
- Advocate & Solicitor, England & Wales (2002)

Present Directorships (as at 31 December 2020)
Listed Company
- GSH Corporation Limited

Non-listed company
- Drew & Napier LLC

Past Directorships over the last 3 years (2018 to 2020)
- Law Society Pro Bono Services

Background and Working Experience
- Attorney General's Chambers: Deputy Public Prosecutor/State Counsel (1997 to 2000)
- Drew & Napier (2000 till present)

Major Appointments (other than Directorships)
- Member of Criminal Procedure Rules Committee, Singapore
- Chairperson of the Criminal Practice Committee, Law Society of Singapore
- Member of the Steering Committee, Criminal Legal Aid Scheme, Singapore Academy of Law
- Treasurer of International Bar Association's Anti-Corruption Committee

Awards
- **Chambers Asia-Pacific 2021**
  Corporate Investigations/Anti-Corruption: Domestic – Band 3
- **Chambers Global 2015**
  Indonesia: Dispute Resolution (International Firms) (Experts Based Abroad) – Indonesia – Band 2
- **Asia Pacific Legal 500**
  Dispute Resolution 2021 – Recommended lawyer for 4 consecutive years
  White-Collar Crime 2020 – Recommended lawyer
- **Who's Who Legal**
  Business Crime Defence 2020 – Recommended lawyer for 8 consecutive years
  Investigations 2020 – Recommended lawyer for 7 consecutive years
  Professional Negligence 2020 – Recommended lawyer
- **Global Investigations Review 100 (GIR 100) 5th edition (2019)**
  Recognised as a leading individual for investigations
- **Best Lawyers International: Singapore (2020 edition)**
  Criminal Defense – Endorsed individual
- **Benchmark Litigation Asia-Pacific 2020 edition**
  Litigation Star – White Collar Crime
- **International Law Office**
  White Collar Crime – Recommended lawyer

BOARD OF DIRECTORS

TAM CHEE CHONG
Independent Director

Date of first appointment as a director
1 June 2020

Length of service as a director (as at 31 December 2020)
7 months

Committee Memberships
- Audit and Risk Committee (appointed on 1 February 2021)

Academic & Professional Qualifications
- Fellow Chartered Accountant of both England & Wales and Singapore

Present Directorships (as at 31 December 2020)
Listed Company
- GSH Corporation Limited
- Boustead Projects Limited
- IFS Capital Limited

Non-listed company
- Kairos Corporate Advisory Pte Ltd
- Perun Consultants (Singapore) Pte Ltd

Past Directorships over the last 3 years (2018 to 2020)
- YMCA, Board Member
- Institute of Singapore Chartered Accountants, Council Member
- Deloitte Southeast Asia, Board Member
- Singapore Turf Club, Honorary Steward
- Singapore Corporate Award Organising Committee
  - Chairman, Best CFO Award Judging Panel
  - Member, Best CEO Award Judging Panel
- Kembangan Chai Chee CC, Chairman
- Marine Parade Town Council, Chairman of Audit Committee
- Halogen Foundation Singapore, Board Member

Background and Working Experience
- Group Chief Financial Officer, Senior Managing Director Fullerton Healthcare Corporation Ltd (2018 – 2019)
- Deputy Managing Partner – Markets Deloitte Singapore (2016 – 2018)
- Leader – Deloitte Private Southeast Asia (2016 – 2018)
- Partner – Family Enterprise Consulting Deloitte Private Southeast Asia (2016 – 2018)
- Regional Managing Partner – Financial Advisory Services for Deloitte Southeast Asia (2006 – 2016)

Major Appointments (other than Directorships)
- NIL

CORPORATE INFORMATION

BOARD OF DIRECTORS (BOD)

Mr. Sam Goi Seng Hui
Executive Chairman

Mr. Gilbert Ee Guan Hui
Chief Executive Officer

Mr. Goi Kok Ming (Wei Guoming)
Chief Operating Officer

Mr. Francis Lee Choon Hui
Vice Chairman cum Lead Independent Director

Mr. Michael Grenville Gray
Independent Director

Ms. Juliette Lee Hwee Khoon
Non-Executive Director

Ms. Huang Lui
Independent Director

Mr. Wendell Wong Hin Pkin
Independent Director

Mr. Tam Chee Chong
Independent Director

AUDIT COMMITTEE

Mr. Michael Grenville Gray (Chairman)
Mr. Francis Lee Choon Hui
Ms. Juliette Lee Hwee Khoon
Mr. Tam Chee Chong

REMUNERATION COMMITTEE

Mr. Francis Lee Choon Hui (Chairman)
Mr. Michael Grenville Gray
Ms. Juliette Lee Hwee Khoon
Mr. Wendell Wong Hin Pkin

NOMINATING COMMITTEE

Ms. Huang Lui (Chairman)
Mr. Francis Lee Choon Hui
Mr. Gilbert Ee Guan Hui

COMPANY SECRETARY

Mr. Lee Tiong Hock

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01
Singapore Land Tower
Singapore 048623
Tel: (65) 6536 5355
Fax: (65) 6536 1360

AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Tel: (65) 6213 3388
Fax: (65) 6213 2230
Partner-In-Charge:
Mr. Barry Lee
(Appointed in financial year ended 31 December 2019)

REGISTERED OFFICE:

20 Cecil Street, #28-01 PLUS
Singapore 049705
Tel: (65) 6585 8888
Fax: (65) 6881 1000
www.gshcorporation.com

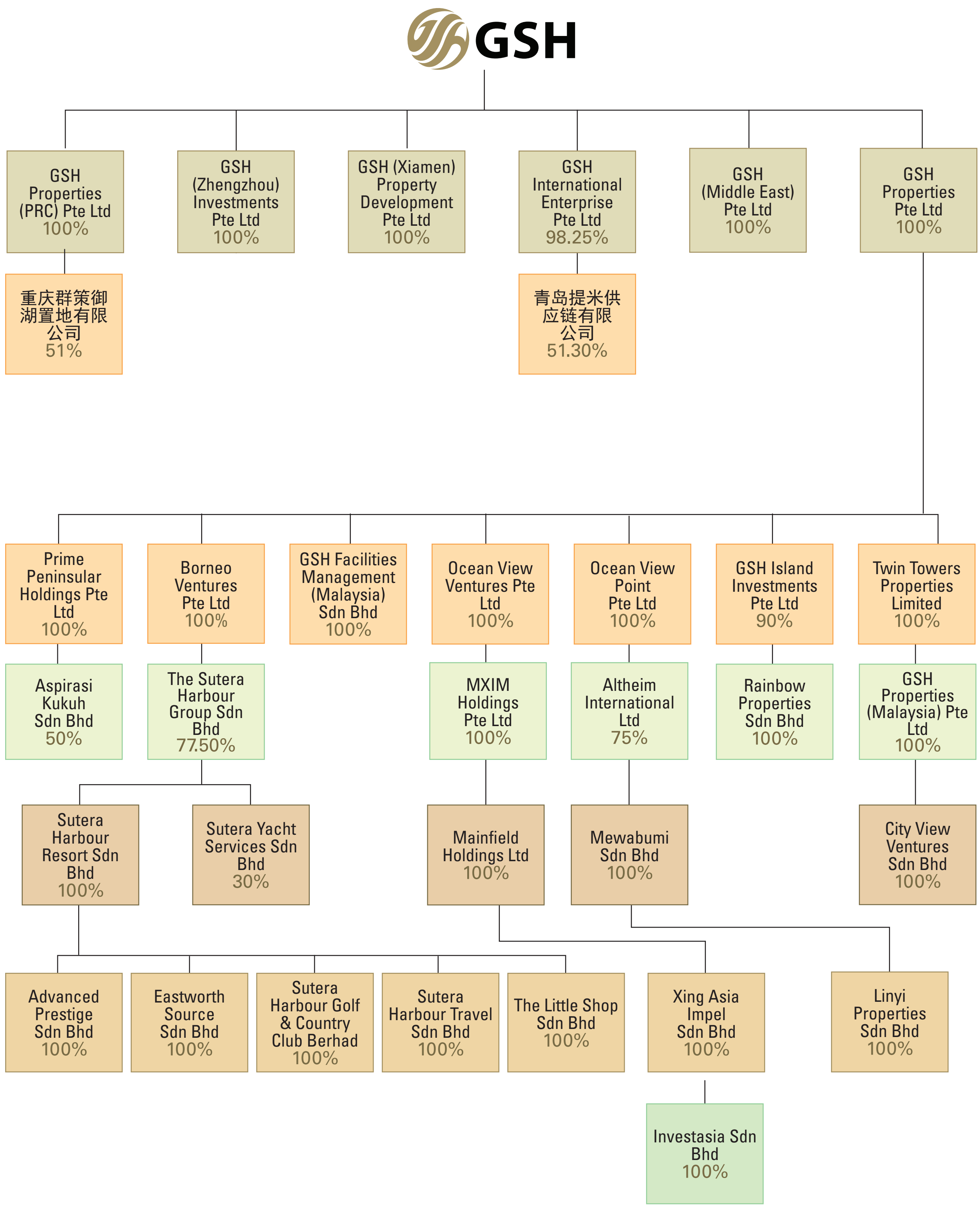
COMPANY REGISTRATION NUMBER:

200106139K

BANKERS:

Bank of China, Singapore Branch
CIMB Bank Berhad
Credit Suisse AG, Singapore Branch
CTBC Bank Co. Ltd, Singapore Branch
DBS Bank Ltd
Hong Leong Finance Limited
The Hongkong and Shanghai Banking Corporation Limited
Malayan Banking Berhad
Maybank Singapore
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
RHB Bank Berhad Singapore
Shanghai Pudong Development Bank Co. Ltd, Singapore Branch
UBS AG, Singapore Branch

GROUP STRUCTURE



OUR FOOTPRINT

SINGAPORE

GSH CORPORATION LIMITED
20 Cecil Street, #28-01,
PLUS, Singapore 049705
Tel: (65) 6585 8888
Fax: (65) 6881 1000

MALAYSIA

ADVANCED PRESTIGE SDN BHD
THE MAGELLAN SUTERA RESORT
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel: (60) 8 8318 888
Fax: (60) 8 8317 777

EASTWORTH SOURCE SDN BHD
THE PACIFIC SUTERA
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel: (60) 8 8318 888
Fax: (60) 8 8317 777

SUTERA HARBOUR GOLF & COUNTRY CLUB BERHAD
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel: (60) 8 8318 888
Fax: (60) 8 8317 777

RAINBOW PROPERTIES SDN BHD
SUTERA@MANTANANI
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel: (60) 8 8318 888
Fax: (60) 8 8317 540

CITY VIEW VENTURES SDN BHD
Correspondence address:
Level 45, Naza Tower,
Platinum Park, No. 10,
Persiaran KLCC 50088 Kuala Lumpur
Tel: (60) 3 2332 3100
Fax: (60) 3 2332 3149

ASPIRASI KUKUH SDN BHD
Correspondence address:
Level 45, Naza Tower,
Platinum Park, No. 10,
Persiaran KLCC
50088 Kuala Lumpur
Tel: (60) 3 2633 3168
Fax: (60) 3 2633 3033

INVESTASIA SDN BHD
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel: (60) 8 8318 888
Fax: (60) 8 8317 777

LINYI PROPERTIES SDN BHD
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel: (60) 8 8318 888
Fax: (60) 8 8317 777

CHINA

青岛提米供应链有限公司
山东省青岛市
崂山区科苑纬一路1号
国际创新园G座707
邮区266100
Tel: (86) 532-80997507

重庆群策御湖置地有限公司
重庆市璧山区
璧泉街道双星大道50号1栋 11–1
邮区 402760
Tel: (86) 023-41731369

CORPORATE GOVERNANCE REPORT

The Board and Management of GSH Corporation Limited ("GSH") and its subsidiaries (the "Group"), believe that maintaining a genuine commitment to good corporate governance, is essential for the long-term success of the Company's business and performance. The Company continues to be focused on adhering to the principles and provisions of the Singapore Code of Corporate Governance 2018 (the "2018 Code"), issued in August 2018.

This Corporate Governance Report ("CG Report") sets out the corporate governance practices of GSH, for the financial year ended 31 December 2020 ("FY2020"), with specific reference made to the principles and provisions of 2018 Code, which form part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Where there are deviations from the principles and provisions from the 2018 Code, explanations have been provided within the CG Report.

(A) BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS
The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1
Principal Duties of the Board

The Board is accountable to the shareholders, while the Management is accountable to the Board.

The Board has established a framework of prudent and effective controls, which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets. It also oversees the Company's affairs and provides shareholders with a balanced and understandable assessment of the Company's performance, position and prospects, on a half-yearly basis. This responsibility extends to interim and other price sensitive public reports, and reports to regulators (if required).

The Board sets the overall business direction, provides guidance on the Company's strategic plans, with particular attention to growth and financial performance, and oversees the Management of the Company.

The Board's primary functions include:

(i) Approving policies, strategies, structure and direction of the Group;

(ii) Overseeing and monitoring managerial and organizational performance and the achievement of strategic goals and objectives;

(iii) Ensuring that there are in place appropriate and adequate systems of internal controls, risk management, effective processes for financial reporting and compliance; approving the annual budget, major capital expenditures, funding proposals; and investment and divestment proposals;

(iv) Assuming responsibilities for good corporate governance practices;

(v) Approving half-yearly announcements and annual announcements and financial statements;

(vi) Identifying the key stakeholder groups and recognizing that their perceptions affect the Group's reputation;

CORPORATE GOVERNANCE REPORT

(vii) Setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and

(viii) Considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Board Debates and Independent Judgment

The Board and Management engage in open and constructive debate, for the furtherance of and to achieve strategic objectives. All Board members are provided with relevant and sufficient information on a timely basis and Non-Executive Directors may challenge Management's assumptions. The Directors have the appropriate competencies and diversity of experience, to enable them to contribute effectively. They are able to objectively raise issues and seek clarification, when necessary, from the Board and the Management, on matters pertaining to their area of responsibilities and render assistance to the Management in the development of strategic proposals and oversee the implementation by Management to achieve the objectives set.

All directors are expected to exercise due diligence and independent judgment, in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions, in the best interests of the Group.

Conflicts of Interest

The Company requires Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, to declare the nature of their interests in accordance with the provision of the Companies Act, Chapter 50, and voluntarily abstain from participation in board discussions or the decision-making processes, on any particular agenda item, when they have a conflict of interest. The abstention is recorded within the minutes and/or the resolutions of the Board and/or Committees. During FY2020, no conflicts of interests from the Directors had arisen.

Provision 1.2
Board Orientation and Training

Newly appointed Directors, if any, receive formal letters setting out their duties and obligations and are also given comprehensive induction briefings and orientations, by the Executive Directors and Management, on the business activities, governance practices of the Group and its strategic decisions.

For any first-time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he or she will be required to also attend certain specific modules of the Listed Entity Director Programme ("Programme") conducted by the Singapore Institute of Directors, in order to acquire relevant knowledge of what is expected of a listed company director, this being a mandatory requirement under the SGX-ST Listing Rules. Completion of the Programme, which concentrates on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first-time Director with a broad understanding of the roles and responsibilities of a director of a listed company, under the requirements of the Companies Act, Chapter 50, the Listing Manual of the SGX-ST and the 2018 Code.

Mr Wendell Wong Hin Pkin, who was appointed on 1 January 2020, had no prior experience as a director of a listed company in Singapore, and underwent and completed the Programme for first-time Directors.

CORPORATE GOVERNANCE REPORT

The Directors participate in occasional seminars and are furnished with relevant information and updates on changes in laws and regulations, relevant to the Group's businesses and operating environment, on a regular basis. The Company will fund the relevant training. The Directors have attended seminars and courses conducted by the Singapore Institute of Directors ("SID") and/or other professional bodies.

During the financial year, the Company's external auditors regularly briefed the Audit and Risk Committee members, on developments in accounting and regulatory requirements. The Board was provided with regular updates in areas such as changes in the requirements of the SGX-ST Listing Rules, Companies Act or other regulations/statutory requirements, from time to time.

The details of seminars, conferences and training programmes attended by the Directors variously in FY2020 included:

- Annual Corporate Governance Round Up 2020 conducted by SID;
- Fraud in Volatile Times conducted by Drew & Napier LLC & Deloitte Southeast Asia;
- Listed Entity Director Essentials conducted by SID;
- Board Dynamics conducted by SID;
- Board Performance conducted by SID;
- Stakeholder Engagement conducted by SID;
- Charities Lean Forward: Safeguarding Charities with Commissioner of Charities conducted by Commissioner of Charities and Law Society Pro Bono Services;
- Criminal Legal Aid Scheme Training 2020: The Window between Arrest and Charge conducted by Criminal Legal Aid Scheme, Law Society Pro Bono Services
- ACRA-SGX-SID Audit Committee Seminar 2020 conducted by SID, SGX and ACRA
- Leveraging A&T for Internal Control and Fraud Prevention conducted by SID;
- Singapore Governance and Transparency Index conduction by SID;
- SID Directors Virtual Conference – Living with Covid-19 conducted by SID

Provision 1.3
Reserved Matters

Internal guidelines and authority limits, have been laid down for Management, to administer the Group's day-to-day operations. These guidelines and limits are reviewed by the Board from time to time, and adjusted when necessary. In addition, the Group has in place guidelines and corporate authorisation procedures, for the approval of major capital and revenue expenditures and investments.

CORPORATE GOVERNANCE REPORT

Key matters which are specifically reserved for the Board's approval include

a) the decisions over the strategic direction, plans and performance objectives of the Group (including its risk appetite); and

b) the decisions to commence, discontinue, or modify significantly, any business activity, or to enter into or withdraw from a particular market sector, which have or may have material impact on the profitability or performance of the Group

Other matters that require Board approval include appointments to the Board, business plans and strategies, adoption of key corporate policies and corporate governance practices, financing activities, material transactions, public announcements, and dividends to shareholders.

Management is fully apprised of such matters which require the Board's approval, or that of any Committee, and for operational efficiency; the Company also has a structured authority limits matrix, which sets out the delegated authority to various levels of Management to approve operating expenditure, below the thresholds that require the approval of the Board.

Provision 1.4
Committees of the Board

To discharge its duties effectively and efficiently, and to allow for detailed consideration of issues, the Board has established three standing committees, namely the Audit and Risk Committee ("ARC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). In addition, it also has on stand-by, a Committee of Independent Directors ("IDC").Each committee has its own defined scope of duties and terms of reference, setting out the manner in which it is to operate and the functions for achieving its stated objectives. The compositions of the committees for FY2020 are as follows:

Directors	ARC	NC	RC	IDC
Gilbert Ee Guan Hui	–	Member	–	–
Francis Lee Choon Hui	Member	Member	Chairman	Chairman
Michael Grenville Gray	Chairman	–	Member	Member
Juliette Lee Hwee Khoon	Member	–	Member	–
Huang Lui	Member	Chairman	Member	Member
Wendell Wong Hin Pkin	–	–	–	Member
Tam Chee Chong	–	–	–	Member

Each of these committees operates under delegated authority from the Board, with the Board retaining overall oversight.

Membership of the committees is designed to distribute the responsibilities over the various Board members and to utilise each individual's diversity and experience. The Board reviews from time to time, the committee structure, the membership and their terms of reference. As part of the Company's process of board renewal and orderly succession planning for Directors, the ARC and RC have been reconstituted with effective from 1 February 2021. Please refer to the SGXNet announcement released on 1 February 2021 for further information on the reconstitution of board committees.

CORPORATE GOVERNANCE REPORT

Provision 1.5
Meetings of the Board

The Board meets at least once every half-yearly and often, as warranted by particular circumstances. A schedule for Board Meetings and Committee meetings, after consultation with the Board, is circulated a year in advance and kept updated. The Company's Constitution also provides for telephone conference and video conferencing meetings, which are relied upon when required.

In the course of the year under review, the number of formal meetings held and attended by each member of the Board is as follows:

	Board Meetings	ARC Meetings	NC Meeting	RC Meeting	IDC Meeting
Number of meetings held in FY2020	2	3	1	1	1
Name of Director	**Number of meetings attended**				
Sam Goi Seng Hui	2	N/A	N/A	N/A	N/A
Francis Lee Choon Hui	2	3	1	1	1
Gilbert Ee Guan Hui	2	N/A	1	N/A	N/A
Juliette Lee Hwee Khoon	2	3	N/A	1	N/A
Michael Grenville Gray	2	3	N/A	1	1
Huang Lui	2	3	1	1	1
Goi Kok Ming (Wei Guoming)	2	N/A	N/A	N/A	N/A
Wendell Wong Hin Pkin(1)	2	N/A	N/A	N/A	1
Tam Chee Chong(2)	1	N/A	N/A	N/A	1

N/A: Not Applicable

Note:

(1) Mr Wendell Wong Hin Pkin appointed as a non-executive independent director of the Company on 1 January 2020.

(2) Mr Tam Chee Chong appointed as a non-executive independent director of the Company on 1 June 2020.

All the Directors attended the Annual General Meeting held on 1 June 2020, including Mr Tam Chee Chong who was appointed as a non-executive independent director of the Company on the same day.

At the half yearly Board meetings, the Board agenda includes updates by the Management on the Group's investments and developments in Singapore and overseas, and the review of the Group's financial performance. Of the three scheduled ARC meetings, one is scheduled primarily for the ARC (where all directors were invited to attend) to focus on the review of the Company's strategic direction, including specific allocation of assets, and risk appetite and tolerance limits, where applicable.

In addition to the formal meetings, the Board and many Board Committees meet informally, or as working sessions, preparatory to the formal meetings.

CORPORATE GOVERNANCE REPORT

Multiple Board Representations

All Directors are required to declare their board representations. The NC, when considering the re-nomination of Directors for re-election, will review the multiple board representations held by the Directors on an annual basis, to ensure that sufficient time and attention is given to the affairs of the Company. The NC considers that the multiple board representations held presently by the Directors do not impede their performance in carrying out their duties to the Company, taking into account the results of the assessment of the effectiveness of the individual director and his/her actual conduct on the Board.

Considerable amount of time had been committed by the Directors towards the many board meetings and board committee meetings held in FY2020 and they had altered their schedules to ensure participation in board and board committee meetings, for the discussion of issues. The NC is of the view that for the period under review, the Directors were able to carry out and had been adequately carrying out their duties and have committed their time effectively to discharge their responsibilities.

The Board, at the recommendation of the NC, limits the maximum number of outside directorships of listed companies to six. However, the NC may review this recommendation, from time to time, and will also consider the circumstances of individual Directors, or potential candidates, with multiple listed company directorships above the recommended number, to determine their capacity to participate and contribute effectively to the Board. For the financial year under review, no director has exceeded the limit.

Sustainability Reporting

The Board also regards sustainable development as a core value of the Group and is committed to developing and adopting sustainable practices, across its businesses.

The Group continued its strategic alliance between its Sutera Harbour Resorts and the University Malaysia Sabah, to collaborate on non-profit environmental projects. The Group's 3rd Sustainability Report (“SR”) for year ended 2019, developed in accordance with the SGX Sustainability Reporting Guidelines, was released on 28 May 2020 via SGXNet announcement. The dedicated report on the Company’s sustainability efforts, addresses the social and environmental impacts, that are pertinent to the Company’s business, as well as identifies the Company’s key stakeholders and shares the Company’s engagement with these stakeholders.

The Group’s 4th SR for FY2020, will be released before 31 May 2021.

Provision 1.6
Board’s Access to Information

Management has an obligation to supply the Board with complete, adequate information, in a timely manner. The Company makes available to all Directors, its quarterly and full-year management accounts and where required, other financial statements and other relevant information, as necessary; so that the Directors can make informed decisions. Directors are also informed on a regular basis, as and when there are any significant developments or events, relating to the Group’s business operations.

Board papers and related materials, background, or explanatory information, relating to matters to be brought before the Board, are sent out to the Directors approximately one week before the meetings, to facilitate discussions during the meetings. However, sensitive matters may be tabled at the meeting itself, or discussed without board papers being distributed. If any director is unable to attend any scheduled meetings, he or she may dial in, or provide any comments to the Chairman of the Board, or the CEO. Minutes of the previous meetings are circulated in advance and confirmed at Board meetings.

CORPORATE GOVERNANCE REPORT

Draft agendas for Board and Committee meetings are circulated to the Board Vice Chairman and the Chairman of the Committees respectively, in advance, for them to review and suggest items for the agenda. The Board and the Committees are also furnished routine reports, where applicable, from the Management. Each of the Chairmen of the ARC, NC and RC, provides an annual report of the respective Committees' activities, during the year under review, to the Board. The minutes of meetings of the Committees are also circulated to all Board members.

Provision 1.7
Board's Access to Management and Company Secretary

The Directors have separate and independent access to the Management, including the Company Secretary of the Group, at all times through email, telephone and face-to-face meetings. To facilitate this access, all Directors are provided with the contact details of the Key Management Personnel and other senior management team members.

Company Secretary

Both the corporate secretarial services and the Company Secretary; were outsourced to BDO Corporate Services Pte Ltd. The Board has separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's constitution, relevant rules and regulations are complied with. The Company Secretary attends and prepares minutes for all formal Board and Board Committee meetings.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Independent Professional Advice

The Directors, either individually or as a group, in the furtherance of their duties, can take independent professional advice, if necessary, at Company's expense.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provisions 2.1, 2.2 and 2.3
Independence Element of the Board, Composition of Independent Directors and Non-Executive Directors on the Board

The Board comprises nine directors, of which five are non-executive independent directors, one non-executive non-independent director and three are executive directors, with the Chairman being part of the Management team and non-independent.

The nine directors are:

Executive Directors
Mr Sam Goi Seng Hui, Executive Chairman
Mr Gilbert Ee Guan Hui, Chief Executive Officer ("CEO")
Mr Goi Kok Ming (Wei Guoming), Chief Operating Officer ("COO")

CORPORATE GOVERNANCE REPORT

Non-Executive Independent Directors
Mr Francis Lee Choon Hui, Vice Chairman and Lead Independent Director
Mr Michael Grenville Gray
Ms Huang Lui
Mr Wendell Wong Hin Pkin
Mr Tam Chee Chong

Non-Executive Non-Independent Director
Ms Juliette Lee Hwee Khoon

The independent directors make up a majority of the Board, where the Chairman of the Board is not independent, which is in compliance with Provision 2.2 and 2.3 of the 2018 Code. No individual or group is able to dominate the Board's decision-making process.

Independence of Directors

The NC has adopted the criteria for determining the independence of a Director, as set out in the 2018 Code, and will assess and review the independence of each Director, at least once a year. Each Independent Director is required to complete a Director's Independence Confirmation Form annually, to confirm his/her independence. As part of their consideration, the NC also took into account their other directorships, annual declarations regarding their independence, disclosures of interest in transactions in which they have a direct/indirect interest, their ability to avoid any apparent conflicts of interests, especially by abstaining from deliberation and decision-making on such transactions and their ability to maintain objectivity in their conduct as Directors of the Company. The NC has ascertained that for the period under review, all Non-Executive Independent Directors are independent and that the Directors have devoted sufficient time and attention to the Group's affairs.

The NC considers an "Independent Director" as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment, in the best interests of the Company.

In accordance with SGX Listing Rule 210(5)(d), none of the independent directors are currently employed, or have been employed by the Company, or any of its related corporations, for the current or any of the past three financial years. None of the independent directors have immediate family members who are currently employed, or have been employed by the Company, or any of its related corporations, for the past three financial years, and whose remuneration is determined by the RC. For purposes of determining independence, the independent directors have also provided confirmation that they are not related to the Directors and substantial shareholders of the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Board concurred with the NC's determination of the independence of the independent directors.

As at the end of FY2020, Francis Lee Choon Hui and Michael Grenville Gray have served on the Board for periods exceeding nine years, from the date of first appointment. The Board has subjected their independence to a particularly rigorous review by all directors, with both of them abstaining from the review, before deciding if they should continue with the appointment. During the last Annual General Meeting ("AGM") held on 1 June 2020, the shareholders of the Company had approved, via two-tier

CORPORATE GOVERNANCE REPORT

voting, Francis Lee Choon Hui's continued appointment as an Independent Director and his appointment will remain in force until the earlier of his retirement, or resignation, or the conclusion of the third AGM. Michael Grenville Gray, who is due for retirement at the Company's forthcoming AGM, will be seeking shareholders' approval via the two-tier voting, for his continued appointment as an Independent Director.

The NC recognises that an individual's independence cannot be determined arbitrarily on the basis of a set period of time. The independence of the independent directors, must be based on the substance of their professionalism, integrity, and objectivity. After particular scrutiny, Francis Lee Choon Hui and Michael Grenville Gray, have been determined as being independent. They continue to express their viewpoints, debate issues and objectively scrutinize and challenge Management. They also seek clarification and amplification of relevant matters, as deemed required, in discharging their duties as Independent Directors. After careful consideration of the relevant factors and to avoid an abrupt loss of a member with experience and institutional memory, the Board, with the concurrence of the NC, has determined that the tenure of Francis Lee Choon Hui and Michael Grenville Gray, have not affected their independence, or ability to bring judgement to bear, in the discharge of their duties as a Board and Committee member. In the determination of the independence of Francis Lee Choon Hui by the NC, he recused himself.

Provision 2.4
Board Composition and Size; Board Diversity Policy

With the assistance of the NC, the Board actively reviews its size and composition, with a view of determining the impact of the number on its effective decision making, taking into account the scope and nature of the Group's operations. The NC also reviews the composition of the Board and the Board Committees, to ensure that as a group they provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company and core competencies, annually. The core competencies include accounting or finance, business or management experience, industry knowledge, strategic planning, business experience, legal and regulatory requirements and risk management.

The Board recognises and embraces the importance and benefits of having a diverse board, to enhance its performance and has adopted a formal Board Diversity Policy, setting out its policy and framework, for promoting diversity on the Board so as to mitigate any 'groupthink' and to ensure the Company has the opportunity to benefit from all available talents. Recognizing the importance and value of gender diversity in the composition of the Board, the Board has two female directors out of nine directors. This represent 22.2% of total Board membership. The Board also consists of directors with ages ranging from forties to more than seventies, who have served on the Board for different tenures. With their combined business, management and professional experience, knowledge and expertise, the Board members collectively provide the core competencies that allow for diverse and objective perspectives, on the Group's business and strategic direction.

Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current composition, mix and size of the Board, provide for diversity and allow for informed and constructive discussion and effective decision making, at meetings of the Board and Board Committees. The Board will however continue to review opportunities to refresh the Board, with a view to expanding the skills, experience and diversity of the Board as a whole, from time to time.

CORPORATE GOVERNANCE REPORT

Provision 2.5
Meetings of Non-Executive Independent Directors

The Non-Executive Independent Directors hold informal meetings on a need to basis without the presence of Management and other directors, led by the Lead Independent Director, and the Lead Independent Director provides feedback to the Chairman and CEO, as appropriate. During the year several of these meetings have been held. The Independent Directors constitute an ad hoc Independent Directors Committee of the Board, which is called into session, as and when necessary.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 and 3.2
Role of Chairman and Chief Executive Officer

The 2018 Code outlines that the roles of Chairman and Chief Executive Officer ("CEO") should in principle be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The positions of Chairman and CEO are held by separate individuals, with Sam Goi Seng Hui as the Executive Chairman, and Gilbert Ee Guan Hui as the CEO. The CEO of the Company is not related to the Chairman of the Board. The CEO is the most senior executive in the Company and his responsibilities, inter alia, include:

- Determining and formulating operational policies and providing overall direction of the Company, within policies laid down by the Board; Translating the strategic directions stipulated by the Board, into tactical plans for operationalisation; and

- Overseeing operational activities led by the head of functions/divisions, to ensure it aligns with overall organizational objectives.

The responsibilities of the Chairman include those as set out in Practice Guideline 3 of the 2018 Code together with the following:

- Providing leadership and strategic direction to GSH, so as to build and sustain a leading, reputable and high performing organisation in the industry;

- Formulating GSH's vision and mission, to shape the existence, identity and direction of GSH, with the objective of building a stronger organization;

- Building relationships with key GSH stakeholders, to garner support for its strategic plans and establish strong partnerships; Providing opportunities to grow senior leadership capabilities, to ensure a strong succession pipeline; and

- Reviewing the strategic initiatives of the organization, to ensure it meets GSH's strategic goals and improves the organisational profitability, market value and returns on capital.

The Chairman is assisted in these functions by the Vice Chairman of the Board.

CORPORATE GOVERNANCE REPORT

Provision 3.3
Lead Independent Director

Taking cognisance that the Board Chairman is an Executive Director and thus not independent, the Board had on 27 February 2015 appointed Francis Lee Choon Hui as Lead Independent Director ("LID") to comply with Provision 3.3 of the 2018 Code. Shareholders of the Company are able to contact the LID if they have concerns and for which contact through the normal channels of communications with the Chairman or Management are inappropriate or inadequate.

No query or request on any matter which requires the LID's attention, was received from shareholders in FY2020.

PRINCIPLE 4: BOARD MEMBERSHIP
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2
Nominating Committee

The Nominating Committee ("NC") comprises the following three directors:

Ms Huang Lui, Chairman	[Non-Executive Independent Director]
Mr Francis Lee Choon Hui	[Non-Executive Independent Director and LID]
Mr Gilbert Ee Guan Hui	[Chief Executive Officer and Executive Director]

The NC's principal functions are to:

a) Make recommendations to the Board, on all Board appointments;

b) Be responsible for the re-nomination of Directors, having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation and candor) including, if applicable, as an Independent Director;

c) Determine, at least annually, whether or not a Director is independent;

d) Decide whether or not a Director is able to, and has been adequately carrying out his duties as a Director of the Company;

e) Assess the effectiveness of the Board as a whole, the contribution by each individual Director to the effectiveness of the Board, and to decide how the Board's performance may be evaluated. The NC takes into consideration the frequency of the Board meetings, the rate at which issues raised are adequately dealt with and the reports from the various Board Committees;

f) Review the board succession plans for directors, in particular, the Chairman and CEO; and

g) Review the training and professional development programs for the Board.

CORPORATE GOVERNANCE REPORT

Provision 4.4
Determining Directors' Independence

Each Independent Director completes a declaration to confirm his or her independence, on an annual basis. The NC has reviewed the independence of the Directors as mentioned under Principle 2 of this report. In the opinion of the NC, all Non-Executive Independent Directors are independent, based on the criteria given in the Listing Manual and the 2018 Code and their respective declarations.

Provisions 4.3 and 4.5
Selection, Appointment and Re-appointment of Directors

All new appointments to the Board are subject to the recommendations of the NC based on the following criteria:-

a) Integrity;

b) Diversity – possession of competencies that meet the Company's present and projected needs;

c) Ability to commit time and effort to carry out duties and responsibilities effectively;

d) Independent mind;

e) Experience; and

f) Financial literacy.

For the nomination process in search for the right candidates for appointment of new Directors, the NC seeks potential candidates widely and beyond directors/management recommendations and is empowered to engage professional search firms, to undertake research on or assessment of candidates, as it deems necessary.

The NC then meets with the shortlisted potential candidates to assess suitability and ensure that the candidates are aware of the expectations and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as director.

When considering the re-appointment of Directors for re-election, the NC takes into account the director's integrity, independence mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

Pursuant to Article 91 of the Company's Constitution and SGX Listing Rule 720(5), every Director shall retire from office once every three years, at each AGM, and for this purpose, Messrs Goi Seng Hui, Michael Grenville Gray ("Mr Gray") and Huang Lui, shall retire from office by rotation, at the upcoming AGM.

The NC having satisfied itself that the above individual Directors are competent to continue, the NC has recommended to the Board, the re-appointment of the individual Directors concerned, at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

In addition, the NC has recommended that the approval for the re-appointment of Mr Gray be sought by way of separate resolutions by (i) shareholders; and (ii) shareholders, excluding the Directors and the CEO, and associates of such Directors and the CEO. Such resolutions to remain in force until the earlier of the retirement or resignation of Mr Gray; or the conclusion of the third annual general meeting of the Company following the passing of the resolution. The Board has accepted the NC's recommendation.

The NC ensures that new directors are aware of their duties and obligations. For re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to GSH.

Each director is required to confirm annually to the NC, as to whether he or she has any issue with competing time commitments, which may impact his or her ability to provide sufficient time and attention to his or her duties as a director of the Company. Based on the directors' confirmation and their commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all Directors have discharged their duties adequately for FY2020 and expects that the Directors will continue to discharge their duties adequately in FY2021.

Key information on the Directors

The profile of the directors and key information, including the dates of their first appointments and last re-election of each Director, together with their current and past preceding three years' directorship in other listed companies, are included under the "Board of Directors" Section in this Annual Report. Key information on Directors is also available on the Company's web site.

Alternate Directors

No Alternate Directors have been appointed during FY2020.

PRINCIPLE 5: BOARD PERFORMANCE
The Board undertakes a formal annual assessment of the effectiveness as a whole, and that each of its board committees and individual directors.

Provisions 5.1 and 5.2
Review of Board and Board Committee Performance

The NC has conducted performance evaluations for the Board, Board Committees and all individual Directors, based on the performance criteria that were determined by the NC, in respect of FY2020. The performance criteria does not change yearly, and was reviewed and determined by the NC to be comparable to its industry peers and approved by the Board, to enhance long-term shareholder value. This process, which is conducted annually, involves the completion of a questionnaire by Board members seeking their views on various aspects of Board performance, such as Board size and composition, Board information and accountability, Board processes, effectiveness of risk management and internal control systems.

The objective of the board evaluation exercise is to create a platform for the Board and Board Committees' members, to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and Board Committees.

CORPORATE GOVERNANCE REPORT

As regard to the individual director evaluation, each director carries out an individual peer assessment on the other directors. This assessment includes detailed questions in the areas of interactive skills, knowledge and director's duties. A summary of the findings is prepared based on the completed questionnaire and is reviewed and deliberated by the NC and the Board. The Chairman of the NC confers with the Chairman of the Board, on the findings and appropriate follow-up actions are taken as necessary.

The individual director evaluation exercise assists the NC in determining whether to re-nominate directors who are due for retirement at the forthcoming AGM, and in determining whether the directors with multiple board representations are able to and have adequately discharged their duties as directors of the Company.

For FY2020, the NC duly observed the aforesaid process and criteria and was satisfied with the results of the review. The Company does not engage an external facilitator, in respect of the Board Performance Evaluation.

(B) REMUNERATION MATTERS

PRINCIPLE 6: Procedures for Developing Remuneration Policies
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1, 6.2 and 6.3
Remuneration Committee

The RC comprises the following four directors:

Mr Francis Lee Choon Hui, Chairman	[Non-Executive Independent Director and LID]
Mr Michael Grenville Gray	[Non-Executive Independent Director]
Ms Huang Lui	[Non-Executive Independent Director]
Ms Juliette Lee Hwee Khoon	[Non-Executive Non-Independent Director]

The primary functions of the RC are to review and recommend the remuneration terms of individual Directors and key management personnel ("KMP").

The principal functions of the RC are:

i. To recommend to the Board a framework of remuneration, which covers all aspects of remuneration including Executive Directors and Independent Directors' fees, salaries, allowances, bonuses, options and benefits in kind, and KMP of the Company;

ii. To determine specific remuneration terms for the Executive Chairman, the CEO, and the COO and other KMP;

iii. To consider and approve salary and bonus recommendations in respect of KMP; and

iv. To consider and recommend to the Board all aspects of remuneration for Non-Executive Directors, including but not limited to Directors' fees;

CORPORATE GOVERNANCE REPORT

On an annual basis, the RC reviews and approves the annual increments and variable bonuses to be granted to the Executive Directors and the KMP, which are within specific mandates sought from the Board.

Review of Significant Contracts of Service

The RC has reviewed the Company's obligations arising, in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that their contracts of service contain fair and reasonable termination clauses that are neither overly generous nor onerous.

Provision 6.4
Engagement of Remuneration Consultants

The RC has access to the professional advice of external experts in the area of remuneration, where required. To assist the RC in its work and benchmarking exercises, the RC, during the financial year has commissioned Korn Ferry and HR Guru, as independent advisors, to review and benchmark the Group's remuneration schemes and practices, and to advice on any changes thereto. There is no existing relationship between the Company, Korn Ferry and HR Guru, that will affect their independence and objectivity.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 and 7.3
Remuneration of Executive Directors and KMP

The salary and other remuneration terms of the Executive Directors and KMP are bench-marked against the remuneration of its industry peers and comparable companies. The remuneration policy of the Group is to provide compensation packages at competitive market rates, which reward successful performance and attract, retain and motivate Directors and employees.

The remuneration packages of each of the Executive Directors and KMP comprise a fixed and a variable component. The variable component forms a significant proportion of the remuneration package and is dependent on the performance and profitability of the Company and individual performance. This ensures a close alignment of the interests of the executives with those of the shareholders. In setting remuneration packages, the RC ensures the Directors and KMP are adequately but not excessively remunerated, as compared to the industry and in comparable companies.

There are no provisions in the Executive Directors and KMP contracts, to allow the Company to reclaim incentive components of remuneration, in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company.

Provision 7.2
Remuneration of Non-Executive Directors

The Non-Executive Independent Directors and Non-Executive Non-Independent Director, receive directors' fees. Directors' fees are set in accordance with a framework comprising basic fees and additional fees, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board committees. These fees are subject to approval by shareholders as a lump sum at each AGM.

CORPORATE GOVERNANCE REPORT

The RC is mindful that the remuneration for Non-Executive Directors should not be excessive so as to compromise or reasonably be perceived to compromise their independence.

The remuneration structure for Non-Executive Directors' fees, which is being reviewed by the RC periodically, is as follows:

Roles	Per Annum	Per Annum
Board of Directors	S$40,000 (Member)	S$58,000 (Vice Chairman)
Audit & Risk Committee	S$15,000 (Member)	S$30,000 (Chairman)
Other Committees	S$7,500 (Member)	S$15,000 (Chairman)

The Board concurred with the RC that the proposed directors' fees for FY2020 is appropriate and not excessive, taking into consideration the level of contribution by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as their responsibilities and obligations of the directors. Directors' fees are recommended by the Board for shareholders' approval at the Company's AGM. Taking cognizance of the on-set of the COVID-19 pandemic, the Board concurred with the RC recommendation and the Non-Executive Directors took a 15% cut of their directors' fees with effect from the fourth quarter of 2020.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION
The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1, 8.2 and 8.3
Remuneration Policies

The Company's remuneration policy is designed to attract and retain outstanding individuals, who are aligned to the long-term interests of the Group. The role to be performed and market factors are taken into account when determining remuneration packages. Performance related pay, is obtained by linking total compensation to the achievement of the performance of the Group and of the individual. To ensure that its remuneration packages are competitive, the Company regularly reviews its base salary ranges and benefits package, using market data provided by Korn Ferry and HR Guru.

Level and Mix of Remuneration

The Executive Directors do not receive any directors' fees. Bonuses are determined as follows:

- Executive Chairman, CEO and COO, as a percentage of the Group's Total Comprehensive Income, from the annual audited accounts.

- KMP, at a rate determined based on their own personal performance and that of the Group.

CORPORATE GOVERNANCE REPORT

Procedures for Setting Remuneration

On an annual basis, Management provides to the RC recommendations for remuneration changes for Executive Directors and KMP, which includes increments and bonuses. Based on making a considered assessment, the RC will then submit its recommendations to the Board. Korn Ferry and HR Guru may be consulted from time to time, for their input on benchmarking, industry practice and the market situation.

No Directors participated in decisions on their own remuneration.

Service Agreements

The Company has entered into Service Agreements with Sam Goi Seng Hui, Executive Chairman and Gilbert Ee Guan Hui, CEO, for a fixed period of three years, with effect from 1 January 2014, and thereafter renewable from year to year, for a fixed period of one year. Likewise, with Goi Kok Ming (Wei Guoming), Executive Director, Chief Operating Officer, for a fixed period of three years, with effect from 1 September 2013, and thereafter renewable from year to year, for a fixed period of one year.

The Non-Executive Independent Directors and Non-Executive Non-Independent Director have no service agreement contracts. They are appointed pursuant to, and hold office under and in accordance with, the Company's Constitution.

Disclosure of the Executive Director's Remuneration and Top Five KMP

The remuneration of the Executive Directors has been presented, in deviation from Provision 8.1 of the 2018 Code, taking into consideration the highly competitive industry conditions and the sensitivity and confidentiality of remuneration matters. The breakdown of the total remuneration of the Executive Directors of the Company for FY2020 is set out below:

Name of Director	Salary (%)	Bonus (%)	Directors' Fee (%)	Total Remuneration (%)
Sam Goi Seng Hui, Executive Chairman (between S$250,000 to S$500,000)	100.0%	0.0%	0.0%	100.0%
Gilbert Ee Guan Hui, Chief Executive Officer (between S$250,000 to S$500,000)	100.0%	0.0%	0.0%	100.0%
Goi Kok Ming (Wei Guoming), Chief Operating Officer (between S$250,000 to S$500,000)	100.0%	0.0%	0.0%	100.0%

The remuneration banding of the top five KMP of the Company for FY2020 is set out below:

Remuneration Banding	Number of KMP(s)
Between S$250,000 to S$500,000	1
Less than S$250,000	4

CORPORATE GOVERNANCE REPORT

Provision 8.1 of the 2018 Code requires the Company to name and disclose the remuneration of at least the top five KMP (who are not directors or the CEO), in bands of S$250,000. The Board is of the view that it is not in the interests of the Company to disclose the names and in aggregate, the total remuneration of the top five KMP of the Company in this Report, due to the sensitive and confidential nature of such information and disadvantages that this might bring. There would be negative impact to the Company if members of the experienced and qualified senior management team are poached, which may affect the ability to nurture a sustainable talent pool and ensure the smooth continuity in leadership needed for the achievement of the strategic objectives of the Company.

The Company believes that shareholders' interests will not be prejudiced as a result of such non-disclosure of the amounts and breakdown of remuneration of each Executive Director and for each of the Company's KMP and the names of the Company's KMP. With the Company's partial disclosure of their remuneration in bands of no wider than S$250,000, shareholders are provided an insight into the level of remuneration paid to the Executive Directors and the top five KMP.

Notwithstanding the abovementioned exceptions (deviations), the Company is of the view that the level of information that has already been disclosed, is consistent with the intent of Principle 8 of the 2018 Code, particularly for the following reasons:

(a) Transparency on remuneration policies – the remuneration policies of the Company have been disclosed on pages 42 to 44 of the Annual Report 2020, not only as part of its compliance with Principle 8 but also in respect of Principle 7. In particular, the differing principles governing the remuneration of Executive Directors and KMP, vis-à-vis the Non-Executive Directors, were elaborated on.

(b) Level and Mix of Remuneration – the level and mix of remuneration has also been disclosed on pages 41 and 43 of the Annual Report 2020, where:

 (i) the separate remuneration principles governing the remuneration paid to the Executive Chairman and CEO, and that for the other Executive Directors and KMP, were disclosed on pages 42 and 43 of the Annual Report 2020;

 (ii) notwithstanding that the exact amounts of the Executive Directors were not disclosed, these have been disclosed in bands of no wider than S$250,000 and the breakdown of the components of their remuneration – Fixed (Salary) and Variable (Bonus) – were disclosed in page 43 of the Annual Report 2020;

 (iii) the KMPs' remuneration have been disclosed in bands of S$250,000 on page 43 of the Annual Report 2020; and

 (iv) the Non-Executive Directors' remuneration had been disclosed to the exact amounts on page 45 of the Annual Report 2020.

(c) Procedure for Setting Remuneration – the procedure for setting remuneration has been disclosed on page 43 the Annual Report 2020.

(d) Relationships between remuneration, performance and value creation – the relationship between remuneration, performance and value creation, is disclosed through the Company's disclosure on its remuneration policies, as well as through the disclosed remuneration. Please refer to the Company's response on transparency and on remuneration policies, in this regard.

CORPORATE GOVERNANCE REPORT

The Company is therefore of the view that in light of the abovementioned information that had been disclosed, the Company's disclosures are well aligned with the intent of Principle 8, and the exceptions (deviations), do not materially detract from such alignment.

There is no termination and post-employment benefits granted to Directors, the Executive Chairman, CEO, COO and the top five KMP.

Share Option Scheme/ Short-term and long-term incentive schemes

The Company does not have an employee share option scheme or any long-term incentive schemes, but will consider the establishment of other forms of longer term incentive as and when appropriate. When such long-term incentive scheme is established in due course, with the assistance of external advisers, the Company will consider the inclusion of claw-back provisions within the scheme, which would give the right to the Company to reclaim incentive components from participants in exceptional circumstances of misstatement of financial results, or of misconduct, resulting in financial loss to the Company.

The Company does have short-term incentive scheme for the Executive Directors. The Company compensate the Executive Directors in a profit sharing scheme for achieving the Company's short-term business strategy. The incentive is paid in cash and is expressed as a percentage of the total comprehensive income.

Disclosure of the Non-Executive Director's Remuneration

The breakdown of the total remuneration of the Non-Executive Directors of the Company for FY2020 is set out below:

Name of Director	**Salary S$**	**Bonus S$**	**Directors' Fee S$**	**Total Remuneration S$**
Francis Lee Choon Hui Vice Chairman and Lead Independent Director	–	–	112,481	112,481
Michael Grenville Gray Non-Executive Independent Director	–	–	74,594	74,594
Juliette Lee Hwee Khoon Non-Executive Non-Independent Director	–	–	60,156	60,156
Huang Lui Non-Executive Independent Director	–	–	74,594	74,594
Wendell Wong Hin Pkin(1) Non-Executive Independent Director	–	–	38,500	38,500
Tam Chee Chong(2) Non-Executive Independent Director	–	–	21,797	21,797

Notes:

(1) Mr Wendell Wong Hin Pkin was appointed as a non-executive independent director of the Company on 1 January 2020.

(2) Mr Tam Chee Chong was appointed as a non-executive independent director of the Company on 1 June 2020.

CORPORATE GOVERNANCE REPORT

Except for Sam Goi Seng Hui (who is the father of Goi Kok Ming (Wei Guoming)) and Goi Kok Ming (Wei Guoming) who are also directors of the Company, there are no other employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded S$100,000 during FY2020.

(C) ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1
Nature and extent of risks

The Board is responsible for risk governance of the Group, which includes establishing risk management policies and tolerance strategies, that set the appropriate tone and direction; and overseeing the implementation of a risk management framework, to ensure that risks are identified and managed. On an ongoing basis, the Board monitors and assesses the adequacy of the risk management systems that has been put in place, as well as the system of internal controls, to ascertain that Management takes the appropriate steps to manage and mitigate risks. with the assistance from the Audit and Risk Committee ("ARC"). The ARC reflects its role in assisting the Board to fulfill its responsibilities to safeguard the Company's assets through providing oversight of the Company's financial reporting process, risk management and internal control systems, as well as audit function. At the Management level, the Board has established a Management Risk Committee, chaired by the Group Financial Controller ("GFC"), who has taken on the role of Chief Risk Officer. This Committee oversees and ensures that risks are being managed by appropriate units, holistically, across the Group.

Risk Tolerance and Risk Policies

The Board evaluates the level of risk tolerance and the risk appetite of the Group, and determines whether acceptable levels of risk are being taken, in the pursuit of the strategic business objectives. Management also maintains a sound system of risk management and internal controls, to safeguard shareholders' interests and the Company's assets, and recommends the nature and extent of the significant risks for the endorsement of the Board in the pursuit of the Group's strategic business objectives, with the oversight from the ARC on behalf of the Board.

Enterprise Risk Management (ERM)

During the financial year, Management has engaged an independent professional firm, Ernst & Young Advisory Pte. Ltd. to conduct an ERM exercise, to facilitate the refreshing of the risk register, as annual efforts in ensuring the effectiveness and adequacy of the Group's risk management process. The results of the ERM exercise for the financial year ended 31 December 2020, were reported and presented to the ARC. In this risk assessment, the firm facilitated the identification of the key risks for the Group, including key emerging risks, that could impede the achievement of the Group's business objectives, as well as providing recommendations to enhance the internal controls of the Group, to address the risk. The ERM exercise highlighted pertinent risks in strategic, operational (including information technology areas), financial and regulatory compliance, as well as the treatment methods for such risks.

CORPORATE GOVERNANCE REPORT

Management is responsible for ensuring that material risks identified are relevant to the business environment and that controls are either in place, or required to be developed, in order to mitigate these risks to the appropriate target risk levels. The Board reviews and approves policies and procedures for the management of these risks, which are executed by the CEO and the GFC. The ARC provides independent oversight to the effectiveness of the risk management process. Key material risks as identified through the ERM exercise, included the following:

Investment Risk

All investment proposals are evaluated against a set of investment criteria determined by the Board to mitigate potential investment risk. The investment criteria includes country risks, investment return, competitive landscape and locational attributes.

Financial Risk

Derivatives, a mix of fixed and floating rate debt and other financial instruments, are used to hedge against the foreign exchange and interest rate exposures, arising from the Group's operations in Malaysia and China.

To manage liquidity risk, cash flow is monitored closely by the Senior Management, to ensure sufficient cash or cash equivalents are maintained, to fulfil the financing, funding and repayment of debt obligations.

Compliance Risk

Monitoring processes are in place to ensure the applicable laws and regulations of our property and hospitality businesses, are adhered to. Management is updated on latest developments in relevant laws and regulations, through regular engagements with the consultants.

Business Interruption Risk

The Group is exposed to business interruption risk arising from natural events (e.g. earthquake, typhoons or pandemic, such as COVID-19) or man-made events (e.g terrorist activities, strikes or other malicious acts), which may significantly disrupt our hospitality business in Malaysia.

Business continuity plans have been developed to manage such external unforeseen exigencies. The plans are reviewed periodically, to ensure their effectiveness and relevancy. For any natural disasters occurring, the Group will work closely with the local authorities, in performing the required procedures (e.g evacuation, or containment, etc).

Provision 9.2
Board's comment on Adequacy and Effectiveness of Internal Controls

In order to arrive at the basis for the opinion on the adequacy and effectiveness of risk management and internal controls, the Board with the assistance of the ARC has evaluated the level of assurance required in accordance with the nature and complexity of the business. The Board arrives at this level of assurance through a review of the work performed by the external auditors, internal auditors, other assurance mechanisms, and the results of the risk governance and risk assessment processes. This has enabled the Board to assess the adequacy and effectiveness of the Group's key internal controls and risk management practices, pertaining to the financial, operational, compliance and information technology controls. The

CORPORATE GOVERNANCE REPORT

internal controls have also been assessed in accordance with the COSO internal control framework, which evaluates the key elements, such as control environment, risk assessment, control activities, information and communication and monitoring activities. Any material non-compliance, or lapses in internal controls and recommendations for improvements, are reported to the ARC. All required detective, preventive, or corrective improvement measures, are closely monitored.

Based on the reports from the internal auditors, external auditors and the various management controls put in place, the Board, with the concurrence of the ARC, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls) and the risk management systems, are adequate and effective as at 31 December 2020, to address the risks that the Group considers relevant and material to its operations.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen, as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud, or other irregularities.

Assurance from CEO, GFC and COO

For the financial year under review, written assurance was received from (a) the CEO and GFC that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) from the CEO, COO and GFC that the Group's risk management and internal control systems in place, were adequate and effective to address the financial, operational, compliance and information technology risks, in the context of the current scope of the Group's business operations.

Principle 10: Audit Committee
The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1 and 10.2
Roles, Responsibilities, Authorities of Audit & Risk Committee and Membership

The Board has established a combined Audit Committee and Risk Committee ("ARC"). The ARC assists the Board in fulfilling its responsibilities to safeguard the Company's assets, to ensure that Management maintains requisite accounting records, and to develop and maintain effective systems of internal control.

Members of the ARC

The ARC comprises the following four directors:

Mr Michael Grenville Gray, Chairman	[Non-Executive Independent Director]
Mr Francis Lee Choon Hui	[Non-Executive Independent Director and LID]
Ms Huang Lui	[Non-Executive Independent Director] – stepped down on 1 February 2021
Ms Juliette Lee Hwee Khoon	[Non-Executive Non-Independent Director]
Mr Tam Chee Chong	[Non-Executive Independent Director] – appointed on 1 February 2021

CORPORATE GOVERNANCE REPORT

The Board considers Michael Grenville Gray, who has extensive and practical accounting and financial knowledge and experience, well qualified to chair the ARC. The other members of ARC collectively have relevant accounting, legal or related financial management expertise or experience. They keep abreast of relevant changes to accounting standards and issues, which have direct impact on the financial statements. The Board is of the view that the present members of the ARC have sufficient accounting and financial management expertise and experience, to discharge their responsibilities. The Board reviews the composition and effectiveness of the members of the ARC from time to time.

Authority of the ARC

The ARC has the explicit authority to conduct investigations into any matters within its terms of reference, including having full access to and co-operation of the Management, has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

Terms of Reference

The overall objective of the ARC is to ensure that Management has put in place and maintains an effective control environment in the Group, and that Management by example encourages respect for the internal control systems among all parties.

The terms of reference of the ARC include, inter alia, reviewing the following:

i. the Company's financial and operating results and accounting policies;

ii. the Company's internal audit processes and the external / internal auditors' reports;

iii. the Company's financial statements and consolidated financial statements, as well as the external auditors' reports on those financial statements, before submission to the Board;

iv. the co-operation given by the Management to the auditors;

v. the Company's audit plans and reports of the external auditors' examination and evaluation on the internal accounting control system;

vi. transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

vii. the re-appointment of the external auditors and internal auditors;

viii. the Company's significant financial reporting issues and judgments; and

ix. any formal announcements relating to the Company's financial performance.

CORPORATE GOVERNANCE REPORT

Financial Reporting

Half-yearly and the audited annual financial statements and the accompanying announcements and all related disclosures to the shareholders, are reviewed by the ARC, before presentation to the Board for approval, to ensure the integrity of the information to be released. In the process, the ARC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made, that would have an impact on the Group's financial performance, so as to ensure the integrity of the financial statements.

Review of Interested Person Transactions ("IPTs")

The ARC reviews the IPTs on a regular basis. To assist the ARC in this role, the Management has appointed the internal auditor to carry out agreed upon procedures, to review the IPTs.

External Auditor

KPMG LLP ("KPMG") was appointed as the external auditors of the Company on 21 April 2014.

Where preparation of audited financial statements is required, all such Company's subsidiaries are audited by KPMG LLP. The Group is in compliance with Rule 712 and Rule 715 of the Listing Manual of SGX, in relation to its external auditors.

The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the listing manual.

Activities of the ARC in FY2020

During the ARC meetings through the financial year, the following matters were reviewed:

- *Financial matters*

  In the review of the financial statements, the ARC has discussed with Management and the external auditors, the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditors, and were reviewed by the ARC. Following the review and discussions, the ARC recommended to the Board to approve the full year financial statements.

Significant matters	How the ARC reviewed these matters and what decisions were made
Revenue recognition for sales of development properties	The ARC considered the use of the percentage completion method, in recognising revenue for the sale of development properties. To this end, the ARC had discussed with the external auditors as to whether this method was appropriate and concluded that it was. In addition, the ARC had discussed with Management the conditions of the sales contracts and considered that they are appropriate for this form of revenue recognition.

CORPORATE GOVERNANCE REPORT

Significant matters	How the ARC reviewed these matters and what decisions were made
Valuation for the impairment of development properties	The ARC considered the approach and methodology applied to the valuation of development properties. Where external valuers have been used, ARC was provided by Management, with details of the external valuers and the amounts of the valuations. Where an independent external valuer was not engaged, ARC assessed the reasonableness of the Group's estimated selling prices of the development properties, by comparing it to the sales prices of comparable properties. Having discussed with Management and the external auditors, the ARC is satisfied that no impairment is required.
Impairment of property, plant and equipment	The ARC considered the approach and methodology and key assumptions used, in arriving at the valuations. Where an independent external valuer was engaged, ARC was provided by Management with details of the external valuers and assessed the reasonableness of the key assumptions used in the valuations, which included a comparison of the estimated selling price against available market data, taking into consideration comparable and market factors. In addition, the ARC had discussions with Management to understand how they had considered the implications of COVID-19 and market uncertainty, in the valuations. Where an independent external valuer was not engaged, ARC assessed the reasonableness of the Group's key assumptions underpinning the calculations of the recoverable amount. Having discussed with Management and the external auditors the ARC is satisfied that no impairment is required and key assumptions used, were considered to be consistent with current market data.

The above three items were also an area of focus for the external auditors and the external auditors has included these items as Key Audit Matters, in its audit report for the financial year ended 31 December 2020. Refer to page 66 of this Annual Report.

- *Review of Chairman/Directors/ Managers expenses*

  The entertainment, travelling and expense accounts for the Chairman, Directors and Managers, are provided for the ARC's review, on a quarterly basis.

- *Review of Audit Findings*

  The ARC approved the scope and audit plans undertaken by the external auditors, and reviewed the results of the audits, significant findings and recommendations, as well as Management responses. The ARC also reviewed the corrected and uncorrected audit misstatements, and was of the view that there was no need for an adjustment to the uncorrected misstatements.

CORPORATE GOVERNANCE REPORT

- *Performance Evaluation of the External Auditors*

  The Management completed a checklist on the performance evaluation of the external auditors concerning a number of factors, such as qualification and calibre, expertise and resources, effectiveness, independence, leadership and audit fees. The evaluation was reviewed by the ARC. The ARC undertook the review of the independence and objectivity of KPMG, through discussions with them, as well as the non-audit services provided and the fees paid to them. Based on the review, the ARC is of the opinion that KPMG is, and is perceived to be, independent, for the purpose of the Group's statutory audit.

  The ARC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditor. The re-appointment of the external auditors is always subject to shareholders' approval at the AGM of the Company.

  In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2021, the ARC has considered the adequacy of the resources, experience and competence of KPMG, and has taken into consideration the Audit Quality Indicators relating to KPMG at the firm level and on the audit engagement level. Consideration was given to the experience of the engagement partner and key team members in handling the audit. The ARC also considered the audit team's ability to work in a co-operative manner with Management, whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

  Based on the above basis, the ARC is satisfied with the standard and quality of work performed by KPMG and has recommended to the Board the nomination of KPMG for re-appointment as external auditors at the forthcoming AGM of the Company.

- *Internal Controls and Regulatory Compliance*

  The ARC reviews the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems, through discussions with Management and its internal auditors and reports to the Board annually. The ARC also reviews the assurance from the CEO and the GFC, on the financial records and financial statements.

Non-Audit Services

The ARC has conducted an annual review of the non-audit services provided by the external auditors, to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. For details of the fees paid and/or payable by the Group, in respect of audit and non-audit services for FY2020, please refer to note 27 of the Notes to the Financial Statements.

The ARC Members Technical Updates

Changes to accounting standards and issues which have a direct impact on financial statements, will be highlighted to the ARC, from time to time, by the external auditors. The external auditors will work with Management to ensure that the Group complies with the new accounting standards, if applicable.

CORPORATE GOVERNANCE REPORT

The ARC members have also attended courses provided by the Singapore Institute of Directors ("SID") and other organisations during the financial year, including those on accounting and auditing issues. The Audit Committee Guide issued by SID is used as a reference for the ARC matters.

Whistle Blowing Policy

The ARC has in place a whistle-blowing policy, by which employees of the Group and any other persons may, in confidence, raise concerns about possible improprieties, in matters of financial reporting, or other matters, without fear of reprisals in any form. The ARC is satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow up action, if and whenever needed. Anonymous reporting will also be attended to and anonymity honoured. A set of guidelines was reviewed by the ARC and approved by the Board, and issued to assist the ARC in managing allegations of fraud, or other misconduct, which may be made, in line with the whistle-blowing policy.

In order to facilitate and encourage the reporting of such matters, the whistle-blowing policy, together with the dedicated whistle-blowing communication channels are available. The Whistle-Blowing Committee comprises the ARC Chairman and the Non-Executive Vice Chairman cum Lead Independent Director. No reports were made during the year in review.

Provision 10.3
The ARC Members being Former Partners of the Auditing Firm

Neither the members nor the Chairman of the ARC are former partners or directors of the Group's auditing firm. None of them hold any financial interest in the Group's auditing firm.

Provision 10.4
Internal Auditors

The internal audit function has been outsourced to an independent professional firm, Ernst & Young Advisory Pte. Ltd. ("EY"). EY is a global professional advisory service firm, which is independent to the Company, with a history of over 30 years in Singapore. EY is a full-resourced service provider, providing internal audit, corporate governance and risk management services, to various industries, such as building & construction, property development & management, leisure and hospitality.

The engagement team is led by a Partner who has more than 17 years of internal audit and risk advisory experience. EY is currently serving clients primarily listed on SGX-ST, privately held entities and public sector entities, ranging from multi-national companies to local small and medium enterprises, in a wide range of industries.

The EY team engaged to undertake the Company's internal audit function, is a team of approximately 4 to 5 persons for each review. Based on representations by EY to the Company, EY follows a global internal audit methodology, which is in line with the Standards for the Professional Practice of Internal Auditing, as set by The Institute of Internal Auditors.

EY report to the Chairman of the ARC. The internal audit function assists the Board and the ARC in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

A risk based internal audit plan, which sets out the areas to be audited by the Internal Auditors, was reviewed and approved by the ARC, before the commencement of the audit work to assess the adequacy and effectiveness of internal controls, regarding areas which are of significant or higher risk to the Group's business activities.

The internal audits are performed:

i. To determine that internal controls are in place and functioning as intended, to address the key business and operational risks;

ii. To assess whether operations of the business processes under review, are conducted efficiently and effectively; and

iii. To identify opportunities for improvement of internal controls.

The ARC approves the hiring, removal, evaluation and compensation of the outsourced internal audit function. The Internal Auditor had unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

The Internal Auditors carries out their function according to the standards set by nationally or internationally recognized professional bodies, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The ARC reviews the adequacy and effectiveness of the internal audit function annually and together with the Board, they are satisfied that the Internal Auditor is independent, effective and have adequate resources and appropriate standing, within the Group and the Company, and are staffed with persons with the relevant qualifications and experience.

Provision 10.5
Meeting with External Auditors

The ARC meets the external auditors without the presence of Management, to discuss the reasonableness of the financial process, system of internal controls, fraud risk, quality of accounting and any other matters which the ARC or external auditors may wish to raise, at least once a year.

Meeting with Internal Auditors

The ARC meets with the Internal Auditors, without the presence of Management, at least once a year. The internal audit findings, categorised according to their priority, are submitted to and discussed with the ARC. The progress of the implementation of the corrective actions for the outstanding audit findings, is closely monitored by the ARC.

CORPORATE GOVERNANCE REPORT

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING
The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospect.

Provision 11.1
Sufficient information to Shareholders

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights, and continually reviews and updates governance arrangements. Shareholders were informed of changes in the Company, or its business, which would be likely to materially affect the price or value of the Company's shares, via disclosures through SGXNet.

Shareholders had the opportunity to participate effectively in and vote at the general meetings of shareholders. Shareholders are informed of shareholders' meetings, through notices contained in annual reports, or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNet.

The notice of meetings together with the relevant documents, is distributed to all shareholders at least 14 days before the scheduled meetings. Shareholders are invited to attend the general meetings to put forth any questions they may have, on the motions to be debated and decided upon. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM and were informed of the rules, including voting procedures that govern general meetings of shareholders.

Provision 11.2
Separate Resolutions for Separate Issues

Resolutions are, as far as possible, structured separately and may be voted on independently, including the election or re-election of each director, as a separate subject matter. Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the annual report.

Provision 11.3
Attendance of Directors at General Meetings

It is the policy of the Board that all directors must attend General Meetings, unless any director has a good reason not to.

All directors, including the Chairman of the Board and Chair persons of the ARC, NC, RC and IDC, were present at the last AGM. All directors will endeavour to be present at the Company's forthcoming virtual AGM, to be held in April 2021 to address shareholders' questions. In addition, the external auditors were present at the AGM to address shareholders' queries about the conduct of audit and the preparation and contents of the Auditors' Report.

CORPORATE GOVERNANCE REPORT

Provision 11.4
Participation of Shareholders at General Meetings

Currently, the Company's Constitution do not allow a shareholder to vote in absentia, as the authentication of a shareholder identity and other related security and integrity of the information, still remain a concern.

The Company supports active shareholder participation at general meetings and annual reports are distributed to shareholders at least 14 days before the scheduled meeting date. To ensure high level of accountability and to stay informed of the Group's strategies and visions, all shareholders are encouraged to attend the general meetings. To facilitate participation by the shareholders, the Company's Constitution allows for shareholders who are not relevant intermediaries to appoint not more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as indicated in the notice of the general meeting at least 72 hours before the time set for the general meetings.

Under the Singapore Companies (Amendment) Act 2014, investors who hold the Company's shares through a nominee company, or custodian bank, or through a CPF agent bank, may attend and vote at the general meetings of shareholders.

Voting by Poll and the results of voting

In support of greater transparency and to allow for a more efficient voting process, the Company has been conducting poll voting since 2016 at the general meetings and will continue to do so for all the resolutions to be tabled at the forthcoming general meetings. The detailed procedures for the poll voting is explained at all general meetings. An external firm is appointed as scrutineers for the voting process, which is independent of the firm appointed to undertake the poll voting process. The total numbers and percentage of votes cast for or against the resolutions are announced after the meeting via SGXNet. Electronic poll voting has not been adopted by the Company for the time being, as the turnout of the shareholders is still considerably small.

Forthcoming AGM to be convened and held by electronic means

In view of the COVID-19 situation, the AGM held in respect of FY2019, was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronically accessed live audio-visual webcast, or live audio-only stream; submission of questions to the Chairman of the Meeting in advance of the AGM; addressing of substantial and relevant questions at, or prior to, the AGM; and voting by appointing the Chairman of the Meeting as proxy at the AGM; was put in place for the AGM. For the forthcoming AGM to be held in April 2021, the arrangements will be the same as FY2019, except that printed copies of 2020 Annual Report, the Notice of AGM, Supplemental Information on Directors Seeking Re-election, Appendix to the Notice of AGM and proxy form will not be sent to members of the Company. Instead, these documents will be made available on SGXNet (URL https://www.sgx.com/securities/company-announcements) and on the Company's corporate website (www.gshcorporation.com).

CORPORATE GOVERNANCE REPORT

Provision 11.5
Minutes of General Meetings

All minutes of general meetings include substantial and relevant comments or queries from shareholders, relating to the agenda of the meeting, and responses from the Board and Management, are publicly available to shareholders on the Company's website, within one month from the date of the meeting.

Provision 11.6
Dividend Policy

The Company does not have a specific policy on the amount of dividends to be paid, due to the nature of the business and the way that income is realised. Nevertheless, the Board has adopted a policy of issuing dividends when there are availability of both sufficient profits and cash flow, after taking into account the Group's short and long term capital requirements, future investment plans, general global and business economic conditions. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management, with a sustainable dividend policy.

Principle 12: ENGAGEMENT WITH SHAREHOLDERS
The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provisions 12.1, 12.2 and 12.3
Disclosure of Information on a timely basis

The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company, pursuant to SGX-ST Listing Rules, the Board's policy is that all shareholders should be equally and timely informed, of all major developments that impact the Group.

Information is communicated to shareholders on a timely basis through:

i. annual reports that are prepared and issued to all shareholders;

ii. a summary of the financial information and affairs of the Group for the half year and full year, that are published through the SGXNet within the mandatory period;

iii. notices and explanatory memoranda for annual general meetings and extraordinary meetings; and

iv. information that is material or may influence the price of the Company's shares is posted on SGXNet.

On 7 February 2020, the SGX's rule on risk-based quarterly reporting came into effect, whereby listed companies may, unless otherwise required by SGX, report their results semi-annually. Accordingly, the Company has moved to semi-annual reporting of its financial performance, with effect from FY2020.

CORPORATE GOVERNANCE REPORT

In addition, shareholders are encouraged to attend the general meetings, to ensure a high level of participation and accountability, and to stay informed of the Group's strategy and plans. The AGM is the principal forum for any dialogue the shareholders may have, with the Directors and Management of the Company.

Dialogue with Shareholders

The Board welcomes questions from shareholders, who have an opportunity to raise issues either informally or formally, before or at the general meetings. All Directors, including the chairpersons of the ARC, NC, RC, IDC, as well as the external auditors, are present at the general meetings, to address any shareholders' queries.

Corporate Website

Information about the Group, the Board of Directors, the Annual Reports, the Sustainability Reports and other information which may be relevant to investors, can be found on the Group's website at www.gshcorporation.com.

Investor Relations Policy

The Company has adopted an Investor Relations Policy ("IRP"), to formalise the principles and practices adopted by the Company and designed to provide current and prospective investors and its shareholders, with fair access to accurate, comprehensive and timely information.

The Company values feedback from shareholders on its efforts to promote transparency and foster investor relationships. Shareholders can submit their feedback and raise any question to the Company's investor relations contact, as provided in the Company's website. Procedures are in place for following up and responding to stakeholders queries, as soon as applicable.

Principle 13: ENGAGEMENT WITH STAKEHOLDERS
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions 13.1 and 13.2

The Company engages its stakeholders via various media and channels, to ensure that the business interests are aligned with those of the stakeholders; to understand and address the concerns, so as to improve services and products' standards; as well as to sustain business operations for long-term growth.

CORPORATE GOVERNANCE REPORT

The stakeholders have been identified as those who are impacted by the Group's business and operations, and those who similarly, are able to impact the Group's business and operations. Six stakeholders groups have been identified and they are:-

1. Builders and Suppliers
2. Communities
3. Customers and Hotel Guests
4. Employees
5. Governments and Regulators
6. Investors

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues, which are important to these stakeholders. These issues form the sustainability materiality matrix, which are aligned with our principal business and operational risks, and formed our sustainability strategy, which has shaped our approach to sustainability reporting. Metrics have been developed to measure the progress and the Board will review and adjust the metrics each year, as the external and business context changes. More details on the Company's approach to stakeholder engagement and materiality assessment, can be found in the Sustainability Report, which will be released on or before 31 May 2021.

The Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships, based on the stakeholders and the material issues that have been identified.

(E) ADDITIONAL INFORMATION

- **Dealings in Securities**

  The Group has adopted a code of conduct, which provides guidance to its officers with regard to dealings in the Company's securities, in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST.

  Directors and key employees within the Group, are not allowed to deal in the Company's securities while in possession of price-sensitive information and during the periods commencing one month before the announcement of the Group's half year and full year financial results. Directors and key employees within the Group, are not allowed to share non-public material information about the Company with family members, friends, associates, or anyone else, who may subsequently buy or sell in the Company's securities.

  In addition, Directors and key employees are advised not to deal in the Company's securities for short term consideration and are expected to observe the insider trading law at all times, even when dealing in securities within permitted trading periods.

CORPORATE GOVERNANCE REPORT

- **Interested Person Transactions ("IPTs")**

The Group has established procedures for recording, reporting, reviewing and approving, interested person transactions. The internal auditors carries out agreed upon procedures to review the IPT, on a quarterly basis. Subsequently, ARC and the Board review the IPT reports prepared by the internal auditors to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Group and the Company's non-controlling shareholders. Below are the IPTs entered by the Group for the financial year ended 2020:

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000)	Aggregate value of all IPTs conducted during the financial year under review under the shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
Sam Goi Seng Hui, Executive Chairman (please see Note (i) for further details)	Director and Controlling Shareholder	S$2,669,795	Not applicable – the Group does not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual
Gilbert Ee Guan Hui, CEO (please see Note (ii) for further details)	Director	S$1,851,059	
Goi Kok Ming (Wei Guoming) COO and son of Executive Chairman (please see Note (iii) for further details)	Director	S$181,496	

Note:

(i) Interest paid for the subscription of 5.15% fixed rate notes due 12 October 2020 and 3 May 2021, and 5.20% fixed rate notes due 21 October 2022, issued by the Company under its S$800,000,000 multicurrency medium term note programme, on 8 June 2016.

(ii) Interest paid of S$597,132 for the subscription of 5.15% fixed rate notes due 12 October 2020, and 5.20% fixed rate notes due 12 October 2022, issued by the Company under its S$800,000,000 multicurrency medium term note programme, on 8 June 2016; and DG Assets Inc, a company wholly owned by Gilbert Ee Guan Hui, entered into a new Sales and Purchase ("SPA") Agreement with GSH's subsidiary, Investasia Sdn Bhd ("ISB") on 5 October 2020 for a unit of residential property with value of S$1,253,927. This was in exchange with another unit at Eaton Residences where the SPA was signed between Gilbert Ee Guan Hui and City View Ventures Sdn Bhd on 15 November 2016. The SPA of the residential property unit of Eaton Residences has been cancelled. The variance between the two units would be paid by DC Assets Inc. to ISB.

(iii) Interest paid for the subscription of 5.15% fixed rate notes due 12 October 2020 and 3 May 2021, and 5.20% fixed rate notes due 21 October 2022, issued by the Company under its S$800,000,000 multicurrency medium term note programme, on 8 June 2016.

CORPORATE GOVERNANCE REPORT

- **Material Contracts**

  Save for the service agreements between the Executive Directors and the Company, there were no material contracts of the Company or its subsidiaries, involving the interest of the Executive Chairman, the CEO, the COO, or any Director or controlling shareholders, subsisting at the end of the financial year ended 2020.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2020

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2020.

In our opinion:

(a) the financial statements set out on pages 73 to 170 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Sam Goi Seng Hui
Gilbert Ee Guan Hui
Goi Kok Ming (Wei Guoming)
Francis Lee Choon Hui
Michael Grenville Gray
Juliette Lee Hwee Khoon
Huang Lui
Wendell Wong Hin Pkin (Appointed on 1 January 2020)
Tam Chee Chong (Appointed on 1 June 2020)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares or debentures in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Description of interests	At beginning of the year	At end of the year
Sam Goi Seng Hui			
GSH Corporation Limited	Ordinary Shares (Direct)	1,170,586,275	870,586,275
	Ordinary Shares (Deemed)	–	300,000,000
	$70,000,000 5.15% fixed rate notes due in 2020	$21,000,000	–

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2020

Name of director and corporation in which interests are held	Description of interests	At beginning of the year	At end of the year
Sam Goi Seng Hui (cont'd)			
GSH Corporation Limited	$50,000,000 5.15% fixed rate notes due in 2021 (Direct)	$10,000,000	$10,000,000
	$80,000,000 5.20% fixed rate notes due in 2022 (Direct)	$10,000,000	$31,000,000
	$50,000,000 5.15% fixed rate notes due in 2021 (Deemed)	$500,000	$500,000
Gilbert Ee Guan Hui			
GSH Corporation Limited	Ordinary Shares (Direct)	629,478	629,478
	Ordinary Shares (Deemed)	157,913,600	157,913,600
	$70,000,000 5.15% fixed rate notes due in 2020	$5,000,000	–
	$80,000,000 5.20% fixed rate notes due in 2022	$4,000,000	$9,000,000
Goi Kok Ming (Wei Guoming)			
GSH Corporation Limited	$70,000,000 5.15% fixed rate notes due in 2020	$1,000,000	–
	$50,000,000 5.15% fixed rate notes due in 2021	$1,000,000	$1,000,000
	$80,000,000 5.20% fixed rate notes due in 2022	$1,000,000	$2,000,000
Juliette Lee Hwee Khoon			
GSH Corporation Limited	$70,000,000 5.15% fixed rate notes due in 2020	$250,000	–
	$50,000,000 5.15% fixed rate notes due in 2021	$250,000	$250,000
	$80,000,000 5.20% fixed rate notes due in 2022	$250,000	$250,000

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2020

Name of director and corporation in which interests are held	Description of interests	At beginning of the year	At end of the year
Michael Grenville Gray			
GSH Corporation Limited	$70,000,000 5.15% fixed rate notes due in 2020	$250,000	–
	$50,000,000 5.15% fixed rate notes due in 2021	$250,000	$250,000
	$80,000,000 5.20% fixed rate notes due in 2022	$250,000	$500,000

There were no changes in the Directors' interest in the Company between the end of the financial year and 21 January 2021.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit and Risk Committee

The members of the Audit and Risk Committee during the year and at the date of this statement are:

Michael Grenville Gray (Chairman), non-executive independent director
Francis Lee Choon Hui, non-executive lead independent director
Juliette Lee Hwee Khoon, non-executive non-independent director
Huang Lui, non-executive independent director (stepped down on 1 February 2021)
Tam Chee Chong, non-executive independent director (appointed on 1 February 2021)

The Audit and Risk Committee performed the functions specified in Section 201B of the Act, the SGX-ST Listing Manual and the Code of Corporate Governance.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2020

Audit and Risk Committee (cont'd)

The Audit and Risk Committee has held three meetings since the last directors' statement. In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;

- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual, with regards to the appointment of the auditors of the Company and subsidiaries.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Gilbert Ee Guan Hui	**Goi Kok Ming (Wei Guoming)**
Director	*Director*

31 March 2021

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY GSH CORPORATION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GSH Corporation Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 73 to 170.

In our opinion, the accompanying consolidated financial statements of the Group and the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirement that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition for sales of development properties

(Refer to Note 3.15 and Note 23 to the financial statements)

RISK:

The Group enters into contracts with customers to deliver specified building units to the customers based on the plans and specifications as set out in the contracts. In accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, the analysis of whether the contracts comprises one or more performance obligations, determining whether the performance obligations are satisfied over time and the method used to measure progress for revenue recognition where performance obligations are satisfied over time represent areas requiring critical judgement and estimates by the Group.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY GSH CORPORATION LIMITED

There is a broad possible range of outcomes resulting from these judgements that could lead to different revenue and profit being reported in the financial statements.

OUR RESPONSE:

We evaluated the Group's processes and controls over revenue recognition for sales of development properties and assessed the basis for the identification of performance obligations. We also read the sales and purchase agreements of development properties and discussed each of the developments with management to obtain an understanding of the specific terms to identify performance obligations. Also, we assessed whether the criteria are met for recognising revenue over time.

We assessed the appropriateness of methods and amounts used to measure the progress of the construction of specified building units by reference to construction costs incurred to date compared to the estimated total construction costs where the performance obligation is satisfied over time.

We assessed the adequacy of the estimated total construction costs by comparing them with the actual costs incurred to-date and discussed with management on the progress of the projects, taking into consideration any significant deviation in design plans or potential delay, which may require revision in the estimated total construction costs. For construction work that has been contracted to third parties, we agreed the contract sum to the contracts. For construction costs incurred to date, we have tested the significant items of cost components to the supporting documents such as supplier's invoices, to ascertain the existence and accuracy of the costs of work done.

OUR FINDINGS:

We found the basis and result for the identification of performance obligations and the assessment of whether the identified performance obligations are satisfied over time by the Group to be appropriate.

We also found the method used to recognise revenue from the construction of specified building units to be consistent with the transfer of control of the goods or services to the customers.

We found the estimated total construction costs and costs of work performed to date to be appropriate.

Valuation for the impairment of development properties

(Refer to Note 3.7 and Note 9 to the financial statements)

RISK:

The Group has residential development properties held for sale in Malaysia and China. Development properties are stated at the lower of cost and net realisable value. Net realisable value represents the estimated future selling price, less estimated costs of completion and selling expenses.

The estimation of future selling prices is dependent on the Group's expectation of the market development in the respective markets. There is therefore a risk that the estimated net realisable value exceeds the future actual selling prices, resulting in losses when these properties are sold and an overstatement of the current carrying value of such properties.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY GSH CORPORATION LIMITED

OUR RESPONSE:

Where an independent external valuer was engaged, our procedures included assessment of the competence, capabilities and objectivity of the valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We compared the valuers' underlying assumptions on the market value to market comparables and, when necessary, held further discussions with the valuers to understand how they have considered the implications of COVID-19 and market uncertainty in the valuations.

Where an independent external valuer was not engaged, we assessed the reasonableness of the Group's estimated selling prices of the development properties by independently validating to recent transacted sales prices of comparable properties. We also considered industry reports and forecasts on property market trends made by research analysts.

We calculated the reasonableness of the budgeted costs to completion by comparing the budgeted costs to costs incurred to date, taking into consideration the construction progress and any significant deviation in design plans.

OUR FINDINGS:

We are satisfied with the competence, capabilities and objectivity of the external valuers. The valuers are members of generally recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies adopted by the valuers were found to be appropriate and comparable to the methods used for similar property types and those used in the prior years. The key assumptions used in the valuations were found to be consistent with current market data.

Where an independent external valuer was not engaged, we found the Group's estimated selling prices used in determining the net realisable values to be comparable to the range of observable selling prices.

Impairment of property, plant and equipment

(Refer to Note 3.6 and Note 4 to the financial statements)

RISK:

The Group has property, plant and equipment in the statement of financial position, with a carrying amount of $426 million as at 31 December 2020. Property, plant and equipment comprises mainly hospitality properties in Malaysia. Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses and are subject to an annual review to assess if there are indicators of impairment.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY GSH CORPORATION LIMITED

The process of identifying indicators of impairment and assessing the recoverable amount of each hotel property involves significant judgement in determining an appropriate model and the underlying assumptions to be applied; coupled with the inherent estimation uncertainties that arise when estimating and discounting future cash flows. The recoverable amount of a property is the higher of its fair value less cost to sell and value in use. The recoverable amount is sensitive to inputs and assumptions underlying the models used. Some of the key inputs and assumptions relate to expectations of occupancy rates and room rates. Where the recoverable amount of the property is based on independent external valuations, valuation reports obtained from the external valuers also highlighted that given the unprecedented set of circumstances due to the COVID-19 pandemic on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that the COVID-19 pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

OUR RESPONSE:

Where an independent external valuer was engaged, our procedures included assessment of the competence, capabilities and objectivity of the valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We compared the valuers' underlying assumptions on the market value to market comparables and, when necessary, held further discussions with the valuers to understand how they have considered the implications of COVID-19 and market uncertainty in the valuations.

We evaluated the historical accuracy of management's calculations of the recoverable amounts of hotel properties by comparing the forecasts at the end of the previous financial year for occupancy rates and room rates with the actual outcomes in the current year.

We performed sensitivity analyses to determine the extent of change in those estimates that, either individually or collectively, would be required for the properties to be materially misstated and considering the likelihood of such a movement in those key estimates arising and whether there was any evidence of management bias.

OUR FINDINGS:

We are satisfied with the competence, capabilities and objectivity of the external valuers. The valuers are members of generally recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies adopted by the valuers were found to be appropriate and comparable to the methods used for similar property types and those used in the prior years. The key assumptions used in the valuations were found to be consistent with current market data.

Where an independent external valuer was not engaged, we found the Group's key assumptions underpinning the calculations of the recoverable amount to be reasonable.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY GSH CORPORATION LIMITED

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY GSH CORPORATION LIMITED

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY GSH CORPORATION LIMITED

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lee Chin Siang Barry.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
ASSETS					
Property, plant and equipment	4	**426,089**	410,671	**28,163**	28,737
Investment property	5	**4,472**	4,694	**–**	–
Subsidiaries	6	**–**	–	**28,291**	291
Associate	7	**–**	–	**–**	–
Deferred tax assets	21	**1,110**	–	**847**	–
Other investments	8	**15,739**	85,553	**15,739**	85,553
Trade and other receivables	13	**–**	1,819	**–**	–
Non-current assets		**447,410**	502,737	**73,040**	114,581
Development properties	9	**412,603**	354,545	**–**	–
Contract costs	10	**14,690**	27,074	**–**	–
Contract assets	11	**21,254**	32,220	**–**	–
Inventories	12	**8,819**	9,890	**–**	–
Trade and other receivables	13	**69,357**	59,775	**1,087**	2,128
Amounts due from related parties	14	**567**	567	**558,807**	530,125
Tax receivables		**879**	–	**–**	–
Time deposits	15	**2,548**	8,264	**–**	–
Cash and cash equivalents	15	**81,666**	113,089	**997**	60,564
Asset held for sale	16	**–**	53,772	**–**	–
Current assets		**612,383**	659,196	**560,891**	592,817
Total assets		**1,059,793**	1,161,933	**633,931**	707,398
EQUITY					
Share capital	17	**343,458**	343,458	**343,458**	343,458
Treasury shares	17	**(5,580)**	(5,131)	**(5,580)**	(5,131)
Reserves	18	**(32,351)**	(31,549)	**645**	4,820
Accumulated profits/(losses)		**66,633**	84,869	**(3,881)**	4,645
Equity attributable to owners of the Company		**372,160**	391,647	**334,642**	347,792
Non-controlling interests		**114,548**	87,669	**–**	–
Total equity		**486,708**	479,316	**334,642**	347,792
LIABILITIES					
Trade and other payables	19	**399**	373	**–**	–
Contract liabilities	11	**1,243**	1,291	**–**	–
Loans and borrowings	20	**247,552**	317,524	**107,933**	160,956
Deferred tax liabilities	21	**47,242**	52,268	**–**	–
Non-current liabilities		**296,436**	371,456	**107,933**	160,956
Trade and other payables	19	**73,733**	68,886	**1,605**	3,188
Contract liabilities	11	**3,549**	6,733	**–**	–
Amounts due to related parties	14	**37,703**	38,336	**44,905**	23,730
Derivative financial liabilities	22	**1,260**	356	**1,260**	209
Loans and borrowings	20	**160,027**	196,155	**143,526**	171,463
Current tax liabilities		**377**	695	**60**	60
Current liabilities		**276,649**	311,161	**191,356**	198,650
Total liabilities		**573,085**	682,617	**299,289**	359,606
Total equity and liabilities		**1,059,793**	1,161,933	**633,931**	707,398

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2020

	Note	**2020 $'000**	2019 $'000
Revenue	23	**120,213**	153,709
Cost of sales		**(97,176)**	(86,211)
Gross profit		**23,037**	67,498
Other net income	24	**3,202**	2,579
Selling and marketing expenses		**(1,959)**	(3,209)
Administrative expenses		**(20,394)**	(28,749)
Other expenses		**(1,916)**	(13,749)
Results from operating activities		**1,970**	24,370
Finance income		**2,020**	2,864
Finance expenses		**(20,428)**	(22,630)
Net finance costs	25	**(18,408)**	(19,766)
Share of profit of equity-accounted investee (net of tax)		**–**	5,878
(Loss)/Profit before tax		**(16,438)**	10,482
Tax credit/(expense)	26	**603**	(493)
(Loss)/Profit for the year	27	**(15,835)**	9,989
(Loss)/Profit attributable to:			
Owners of the Company		**(14,139)**	7,602
Non-controlling interests		**(1,696)**	2,387
(Loss)/Profit for the year		**(15,835)**	9,989
Earnings per share			
Basic and diluted (loss)/earnings per share (cents)	28	**(0.72)**	0.39
Other comprehensive income, net of tax*			
Items that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income – net change in fair value		**(5,006)**	6,106
Items that are or may be reclassified subsequently to profit or loss:			
Debt investments at fair value through other comprehensive income – net change in fair value		**(225)**	2,796
Debt investments at fair value through other comprehensive income – loss on derecognition reclassified to profit or loss		**1,851**	–
Effective portion of changes in fair value of cash flow hedges		**–**	498
Exchange differences on monetary items forming part of net investments in a foreign operation		**(813)**	(247)
Foreign currency translation differences relating to foreign operations		**2,267**	(834)
Share of foreign currency translation differences of equity-accounted investee		**–**	(1,331)
Foreign currency translation differences realised on disposal of an associate, reclassified to profit or loss		**3,446**	–
Other comprehensive income, net of tax*		**1,520**	6,988
Total comprehensive (loss)/income for the year		**(14,315)**	16,977
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(14,146)**	14,834
Non-controlling interests		**(169)**	2,143
Total comprehensive (loss)/income for the year		**(14,315)**	16,977

* There was no tax effect on the components included in other comprehensive income.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	Attributable to owners of the Company									
	Share capital $'000	Treasury shares $'000	Asset revaluation reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2019	343,458	(5,131)	4,132	(38,333)	(498)	(4,082)	77,267	376,813	77,927	454,740
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	7,602	7,602	2,387	9,989
Other comprehensive income										
Foreign currency translation differences relating to foreign operations	–	–	–	(590)	–	–	–	(590)	(244)	(834)
Exchange differences on monetary items forming part of net investment in a foreign operation	–	–	–	(247)	–	–	–	(247)	–	(247)
Share of foreign currency translation differences of equity-accounted investee	–	–	–	(1,331)	–	–	–	(1,331)	–	(1,331)
Net change in fair value of cash flow hedge reclassified to profit or loss	–	–	–	–	498	–	–	498	–	498
Net change in fair value - equity investments at FVOCI	–	–	–	–	–	6,106	–	6,106	–	6,106
debt investments at FVOCI	–	–	–	–	–	2,796	–	2,796	–	2,796
Total other comprehensive income, net of tax	–	–	–	(2,168)	498	8,902	–	7,232	(244)	6,988
Total comprehensive income for the year	–	–	–	(2,168)	498	8,902	7,602	14,834	2,143	16,977
Changes in ownership interests in a subsidiary										
Incorporation of subsidiaries with non-controlling interests	–	–	–	–	–	–	–	–	7,599	7,599
Total changes in ownership interests in a subsidiary	–	–	–	–	–	–	–	–	7,599	7,599
As at 31 December 2019	343,458	(5,131)	4,132	(40,501)	–	4,820	84,869	391,647	87,669	479,316

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	Attributable to owners of the Company								
	Share capital $'000	Treasury shares $'000	Asset revaluation reserve $'000	Translation reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2020	**343,458**	**(5,131)**	**4,132**	**(40,501)**	**4,820**	**84,869**	**391,647**	**87,669**	**479,316**
Total comprehensive loss for the year									
Loss for the year	–	–	–	–	–	**(14,139)**	**(14,139)**	**(1,696)**	**(15,835)**
Other comprehensive income/(loss)									
Foreign currency translation differences relating to foreign operations	–	–	–	**740**	–	–	**740**	**1,527**	**2,267**
Exchange differences on monetary items forming part of net investment in a foreign operation	–	–	–	**(813)**	–	–	**(813)**	–	**(813)**
Foreign currency translation differences realised on disposal of an associate, reclassified to profit or loss	–	–	–	**3,446**	–	–	**3,446**	–	**3,446**
Equity investments at fair value through other comprehensive income – reclassified to retained earnings	–	–	–	–	**(795)**	**795**	–	–	–
Debt investments at fair value through other comprehensive income – reclassified to profit or loss	–	–	–	–	**1,851**	–	**1,851**	–	**1,851**
Net change in fair value -									
equity investments at FVOCI	–	–	–	–	**(5,006)**	–	**(5,006)**	–	**(5,006)**
debt investments at FVOCI	–	–	–	–	**(225)**	–	**(225)**	–	**(225)**
Total other comprehensive income/(loss), net of tax	–	–	–	**3,373**	**(4,175)**	**795**	**(7)**	**1,527**	**1,520**
Total comprehensive income/(loss) for the year	–	–	–	**3,373**	**(4,175)**	**(13,344)**	**(14,146)**	**(169)**	**(14,315)**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	Attributable to owners of the Company								
	Share capital $'000	Treasury shares $'000	Asset revaluation reserve $'000	Translation reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issuance of ordinary shares by a subsidiary	–	–	–	–	–	–	–	27,341	27,341
Dividend paid	–	–	–	–	–	(4,892)	(4,892)	(293)	(5,185)
Purchase of treasury shares	–	(449)	–	–	–	–	(449)	–	(449)
Total transactions with owners	–	(449)	–	–	–	(4,892)	(5,341)	27,048	21,707
As at 31 December 2020	343,458	(5,580)	4,132	(37,128)	645	66,633	372,160	114,548	486,708

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
(Loss)/Profit for the year		**(15,835)**	9,989
Adjustments for:			
Allowance for/(Reversal of allowance for) trade receivables	24	**76**	(11)
Change in fair value of investment property	24	**150**	185
Impairment loss on asset held for sale	16	**–**	13,676
Debt investments at fair value through other comprehensive income			
– reclassified to profit or loss		**1,851**	–
Depreciation of property, plant and equipment	4	**11,104**	11,712
Interest expense	25	**17,829**	21,249
Interest income	25	**(780)**	(1,689)
Dividend income	25	**(1,240)**	(1,175)
Net change in fair value of financial derivatives	25	**904**	895
Net foreign exchange loss arising from fixed deposit pledged	25	**8**	35
Net loss on disposal of property, plant and equipment	24	**10**	125
Allowance for/(Reversal of allowance for) inventories	24	**5**	(2)
Share of profit of equity-accounted investee (net of tax)		**–**	(5,878)
(Tax credit)/Tax expense	26	**(603)**	493
		13,479	49,604
Changes in working capital:			
Development properties		**(56,878)**	(65,865)
Contract costs		**13,137**	12,827
Contract assets/(liabilities)		**9,798**	(19,339)
Inventories		**1,066**	(8,942)
Trade and other receivables		**(2,523)**	(50,361)
Trade and other payables		**(4,102)**	37,430
Balances with related parties		**(602)**	105
Cash used in operations		**(26,625)**	(44,541)
Tax paid		**(6,529)**	(6,511)
Net cash used in operating activities		**(33,154)**	(51,052)
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(28,253)**	(10,491)
Proceeds from disposal of associated company	7	**55,451**	–
Acquisition of other investments		**(16,615)**	(1,097)
Proceeds from disposal of other investment		**83,249**	881
Uplift of deposits pledged		**2,353**	10,994
Uplift of bank deposits		**5,716**	725
Interest received		**847**	939
Dividend received		**1,240**	1,175
Proceeds from sale of property, plant and equipment		**1**	370
Net cash from investing activities		**103,989**	3,496

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Note	2020 $'000	2019 $'000
Cash flows from financing activities			
Capital contribution by non-controlling interest		**27,340**	7,599
Dividend paid		**(5,185)**	–
Interest paid		**(17,136)**	(19,698)
Payment of lease liabilities		**(780)**	(914)
Purchase of treasury shares		**(449)**	–
Proceeds from loans and borrowings		**211,531**	327,498
Repayment of loans and borrowings		**(315,357)**	(269,436)
Net cash (used in)/from financing activities		**(100,036)**	45,049
Net decrease in cash and cash equivalents		**(29,201)**	(2,507)
Cash and cash equivalents at 1 January		**80,550**	83,108
Effect of exchange rate fluctuations on cash held		**139**	(51)
Cash and cash equivalents at 31 December	15	**51,488**	80,550

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2021.

1 DOMICILE AND ACTIVITIES

GSH Corporation Limited (the "Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 20 Cecil Street #28-01 PLUS Singapore 049705.

The financial statements of the Group as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activity of the Company is investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are set out in note 6 to the financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars ("$"), which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

2 BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgements (cont'd)

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 3.15 – Revenue recognition

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

- Note 4 – Measurement of recoverable amounts of property, plant and equipment
- Note 9 – Estimation of allowance for foreseeable losses for development properties
- Note 21 – Estimation of current and deferred tax liabilities/(assets)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Group Financial Controller.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuations. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation and valuation methodologies.

Significant valuation issues are reported to the Group Financial Controller and the Group's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

2 BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – investment property; and
- Note 33 – financial instruments

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I)s for the first time for the annual period beginning on 1 January 2020:

- Amendments to SFRS(I) 3 *Definition of a Business*
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*
- Amendments to SFRS(I) 9, 1-39 and 7: *Interest Rate Benchmark Reform*
- Amendments to *References to the Conceptual Framework in SFRS(I) Standards*
- Amendment to SFRS(I) 16 *COVID-19-Related Rent Concessions*

Other than the amendments relating to definition of a business, interest rate benchmark reform, and the COVID-19-related rent concessions, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group applied the amendments relating to definition of a business to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in note 3.1(i).

The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed at 1 January 2020 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss accumulated in the cash flow hedging reserve in OCI that existed at 1 January 2020. The details of the accounting policies are disclosed in note 3.3(vi). See also note 34 for related disclosures about risks.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

2 BASIS OF PREPARATION (cont'd)

2.5 Changes in accounting policies (cont'd)

New standards and amendments (cont'd)

The Group has early adopted *COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16* issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 January 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

The accounting policies have been applied consistently by the Group entities.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Investment in an associate (equity-accounted investee)

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investment in an associate is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of the equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

(v) Investment in an associate (equity-accounted investee) (cont'd)

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

The carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such investment is not allocated to any asset, including goodwill, that form part of the carrying amount of the associates.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries and associate in the separate financial statements

Investments in subsidiaries and associate are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

- differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation;
- an investment in equity securities designated at fair value through other comprehensive income (FVOCI) (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, trade and other payables, and amounts due to related parties.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

(vii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

(vii) Share capital (cont'd)

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(viii) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

Expected credit loss ("ECL") is a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as 'loans and borrowings'.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Assets under construction are not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

The estimated useful lives for the current and comparative years are as follows:

• Leasehold land	The remaining useful lives of land lease
• Leasehold properties	99 years
• Golf club and hotel buildings, improvements and renovation	50 years
• Golf course renovation and operating equipment	5 to 15 years
• Hotel and other operating equipment, office equipment and furniture and fittings	3 to 15 years
• Motor vehicles and vessels	5 to 15 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(iv) Reclassification from development properties

When the use of a property changes from development with a view to sell to owner-occupation, the property is transferred from development properties (note 3.7) to property, plant and equipment.

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Investment property (cont'd)

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property that is being constructed for future use as investment property is accounted for at fair value.

3.6 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs;
- debt investments measured at FVOCI;
- contract assets (as defined in SFRS(I) 15); and
- intra-group financial guarantee contracts (FGC).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Impairment (cont'd)

(ii) Associate

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(iii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment property, development properties, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Impairment (cont'd)

(iii) Non-financial assets (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.7 Development properties for sale

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-downs to net realisable value are presented as allowance for foreseeable losses.

3.8 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised if these costs are recoverable. Costs incurred to fulfil a contract are capitalised only if the costs relate directly to the contract, generate or enhance resources used in satisfying future performance obligations, and are expected to be recovered. These costs are amortised consistently with the pattern of revenue for the related contract. Other costs are expensed as incurred.

An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Contract assets and liabilities

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract liabilities relate primarily to:

- advance consideration received from customers for the sale of development property;
- progress billings issued in excess of the Group's rights to the consideration; and
- upfront golf membership fees received from customers.

3.10 Inventories

Inventories comprise principally food and beverages and other hotel related consumable supplies.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method and includes expenditures incurred in acquiring the inventories, or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.11 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Leases (cont'd)

(i) As a lessee (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those for property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 3.5.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Leases (cont'd)

(i) As a lessee (cont'd)

Short-term leases and leases of low-value assets

The Group has elected not to recognised right-of-use assets and lease liabilities for leases of low-value assets with a value, when new, of $8,000 or less, and short-term lease. The Group recognised the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied *COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16*. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see note 3.6(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of "other net income".

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12 Non-current assets held for sale

Non-current assets, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets classified as held for sales are generally measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Equity accounting of associates ceases once classified as held for sale.

3.13 Employment benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The following is a description of principal activities separated by reportable segments from which the Group generates its revenue. For more detailed information about reportable segments, see note 29.

Property segment

(i) Sale of development properties

Revenue is recognised when control over the property has been transferred to the customer. In respect of a development property where the Group has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion. The percentage of completion is measured by reference to the construction costs incurred to-date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition (cont'd)

(i) Sale of development properties (cont'd)

In respect of a development property where the Group has no enforceable right to payment until the property is delivered to the customer, revenue is recognised when the legal title has been transferred to the customer.

Revenue is measured at the transaction price agreed under the contract. Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

Where the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception.

Critical judgements in identifying performance obligations and measuring progress

Under the terms of the contract, the Group contracted with the customer to deliver a specified building unit to the customer in accordance with the plans and specifications set out in the contract. The contract includes the specified building unit and an undivided share in the land and the common property. The analysis of whether the contract comprises one or more performance obligations, the method used to measure progress for revenue recognition and the amounts to be included as fulfilment cost for calculating the percentage of completion represent areas requiring critical judgement by the Group.

Hospitality segment

(ii) Rendering of services – hotel income

Revenue from operations of a hotel is recognised in the accounting period in which the accommodation and the related services are rendered.

The Group sells hotel packages to customers which include hotel stay, breakfast, spa services, and golf club services, amongst others. The hotel packages offered combine distinct goods and services and are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Payment of the transaction price is due immediately when the customer purchases the hotel package.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition (cont'd)

(iii) Rendering of services – golf club related income

The Group provides annual golf club memberships and golf club memberships for a term until 2055. Customers are required to pay an up-front cash payment upon signing of the contracts. Golf club membership fees are recognised on a straight-line basis over the membership term. Deferred income is recognised for the fees relating to the unexpired terms of the memberships.

For the golf club memberships for a term until 2055, there is an element of financing as the term of the membership exceeds one year. Consequently, the Group adjusts the transaction prices for the time value of money. The financing component is recognised as interest expense and is presented separately from revenue from customers.

Monthly subscription fees are recognised when the services are rendered. The monthly subscription fees are billed and paid on a monthly basis.

Fees charged for the use of the marina club and golf course facilities are recognised in the accounting period in which the services are rendered. Payment of the transaction price is due immediately when the customer purchases the services.

Trading segment

(iv) Sale of goods

The Group sells food and beverages, souvenirs, frozen food and other products as part of its trading business. Revenue from the sale of goods is recognised at the point of sale which coincides with when the Group transfers the product to the customer. Payment of the transaction price is due immediately when the customer purchases the goods.

3.16 Government grants

Government grant related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are recognised as a deduction from the cost of the related asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as a deduction from the related expenses on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the net gain or loss on the disposal of debt investments measured at FVOCI;
- the foreign currency gain or loss on financial assets and financial liabilities;
- impairment losses (and reversals) on debt investments carried at amortised cost or FVOCI;
- the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination;
- hedge ineffectiveness recognised in profit or loss; and
- the reclassification of net gains and losses previously recognised in OCI on cash flow hedges of interest rate risk and foreign currency risk for borrowings.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Tax (cont'd)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the management of the Group to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.20 Segment reporting (cont'd)

Segment results that are reported to the management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

3.21 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have significant impact on the Group's consolidation financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)*

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land $'000	Leasehold properties $'000	Golf club and hotel buildings, improvements and renovation $'000	Golf course renovation and operating equipment $'000	Hotel and other operating equipment, office equipment and furniture and fittings $'000	Motor vehicles and vessels $'000	Assets under construction $'000	Total $'000
Group								
Cost								
At 1 January 2019	186,701	26,788	220,471	3,115	40,819	3,039	5,225	486,158
Recognition of right-of-use asset on initial application of SFRS(I) 16	–	–	958	–	277	61	–	1,296
Adjusted balance at 1 January 2019	186,701	26,788	221,429	3,115	41,096	3,100	5,225	487,454
Additions	169	–	6,557	823	1,803	750	2,312	12,414
Disposals/Write-off	–	–	–	(2)	(158)	(478)	–	(638)
Reclassification	–	–	198	–	4,550	452	(5,200)	–
Effect of movements in exchange rates	(412)	–	(486)	(8)	(91)	(3)	(9)	(1,009)
At 31 December 2019	186,458	26,788	227,698	3,928	47,200	3,821	2,328	498,221
At 1 January 2020	**186,458**	**26,788**	**227,698**	**3,928**	**47,200**	**3,821**	**2,328**	**498,221**
Additions	**20,387**	**–**	**3,186**	**–**	**629**	**88**	**5,756**	**30,046**
Disposals/Write-off	**–**	**–**	**(106)**	**–**	**(52)**	**–**	**–**	**(158)**
Government grants utilised	**(588)**	**–**	**–**	**–**	**(319)**	**(25)**	**(861)**	**(1,793)**
Reclassification	**(87)**	**–**	**3,275**	**–**	**493**	**–**	**(3,681)**	**–**
Effect of movements in exchange rates	**(800)**	**–**	**(1,105)**	**(13)**	**(168)**	**(9)**	**2**	**(2,093)**
At 31 December 2020	**205,370**	**26,788**	**232,948**	**3,915**	**47,783**	**3,875**	**3,544**	**524,223**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold land $'000	Leasehold properties $'000	Golf club and hotel buildings, improvements and renovation $'000	Golf course renovation and operating equipment $'000	Hotel and other operating equipment, office equipment and furniture and fittings $'000	Motor vehicles and vessels $'000	Assets under construction $'000	Total $'000
Group								
Accumulated depreciation and impairment losses								
At 1 January 2019	11,838	583	26,814	1,245	34,026	1,641	–	76,147
Depreciation charge	2,444	374	6,718	366	1,303	507	–	11,712
Disposals/Write-off	–	–	–	–	(113)	(30)	–	(143)
Effect of movements in exchange rates	(28)	–	(63)	–	(75)	–	–	(166)
At 31 December 2019	14,254	957	33,469	1,611	35,141	2,118	–	87,550
At 1 January 2020	**14,254**	**957**	**33,469**	**1,611**	**35,141**	**2,118**	**–**	**87,550**
Depreciation charge	**2,612**	**375**	**5,963**	**240**	**1,570**	**344**	**–**	**11,104**
Disposals/Write-off	**–**	**–**	**(42)**	**–**	**(41)**	**–**	**–**	**(83)**
Effect of movements in exchange rates	**(176)**	**–**	**(117)**	**(6)**	**(133)**	**(5)**	**–**	**(437)**
At 31 December 2020	**16,690**	**1,332**	**39,273**	**1,845**	**36,537**	**2,457**	**–**	**98,134**
Carrying amounts								
At 1 January 2019	**174,863**	**26,205**	**193,657**	**1,870**	**6,793**	**1,398**	**5,225**	**410,011**
At 31 December 2019	**172,204**	**25,831**	**194,229**	**2,317**	**12,059**	**1,703**	**2,328**	**410,671**
At 31 December 2020	**188,680**	**25,456**	**193,675**	**2,070**	**11,246**	**1,418**	**3,544**	**426,089**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold properties $'000	Office equipment and furniture and fittings $'000	Motor vehicles $'000	Total $'000
Company				
Cost				
At 1 January 2019	29,438	715	653	30,806
Additions	–	25	–	25
Disposals	–	(9)	–	(9)
At 31 December 2019	29,438	731	653	30,822
Additions	–	10	–	10
Disposals	–	(8)	–	(8)
At 31 December 2020	**29,438**	**733**	**653**	**30,824**
Accumulated depreciation				
At 1 January 2019	642	314	469	1,425
Depreciation charge	411	126	131	668
Disposals	–	(8)	–	(8)
At 31 December 2019	1,053	432	600	2,085
Depreciation charge	413	117	53	583
Disposals	–	(7)	–	(7)
At 31 December 2020	**1,466**	**542**	**653**	**2,661**
Carrying amounts				
At 1 January 2019	28,796	401	184	29,381
At 31 December 2019	28,385	299	53	28,737
At 31 December 2020	**27,972**	**191**	**–**	**28,163**

Impairment losses

The Group reviews the carrying amounts of the assets as at each reporting date 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Assets held under finance lease

The carrying amounts of property, plant and equipment under finance lease is as follows:

	Group	
	2020	2019
	$'000	$'000
Leasehold land	**–**	1,905
Motor vehicles	**131**	291
Office equipment	**76**	170
	207	2,366

Leasehold land (excluding leasehold land under finance lease)

At 31 December 2020, leasehold land of the Group with carrying amounts of $188,680,000 (2019: $170,059,000) represents the land located in Malaysia and China (2019: Malaysia). The land leases will expire between 22 April 2060 to 31 December 2117 (2019: 31 December 2091).

Security

At 31 December 2020, properties of the Group and Company with carrying amounts of $181,471,000 (2019: $184,621,000) and $27,973,000 (2019: $28,385,000) respectively, are pledged as security to secure bank loans (see note 20).

5 INVESTMENT PROPERTY

		Group	
	Note	**2020**	2019
		$'000	$'000
At 1 January		**4,694**	4,952
Change in fair value	24	**(150)**	(185)
Effect of movements in exchange rates		**(72)**	(73)
At 31 December		**4,472**	4,694

Investment property comprise 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.

Changes in fair values are recognised as gains in profit or loss and included in 'other net income'.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

5 INVESTMENT PROPERTY (cont'd)

Fair value hierarchy

The fair value of investment property was determined by an external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for investment property of $4,472,000 (2019: $4,694,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (note 2.4).

Level 3 fair value

The reconciliation from the opening balances to the closing balances for Level 3 fair value is shown as above.

Valuation technique and significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models:

Valuation Techniques	Significant unobservable inputs	Inter-relationship between unobservable input and fair value measurement
Direct income capitalisation: The valuation model is a method used to convert an estimate of a single year's income expectancy into an indication of value. The value of the property is derived by dividing a property's net operating income ("NOI") by the market capitalisation rate. NOI is equal to a property's yearly gross income less operating expenses.	• Capitalisation rate: 9%-11% (2019: 9%-11%) • Expected gross rental income: $7 to $9 per sq feet (2019: $7 to $10 per sq feet) • Expected operating expenses: $2 per sq feet (2019: $2 to $3 per sq feet)	The estimated fair value would increase (decrease) if the: • capitalisation rate is lower (higher); • expected gross rental income is higher (lower); or • expected operating expenses is lower (higher).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

6 SUBSIDIARIES

	Company	
	2020	2019
	$'000	$'000
Equity investment, at cost	**28,291**	291

Details of subsidiaries are as follows:

Name of Subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group	
			2020	2019
			%	%
GSH (Xiamen) Property Development Pte Ltd[1]	Investment holding	Singapore	**100**	100
GSH Properties (PRC) Pte Ltd[1, 6]	Investment holding	Singapore	**100**	100
GSH Properties Pte Ltd[1]	Investment holding	Singapore	**100**	100
GSH Properties (Malaysia) Pte Ltd[1]	Investment holding	Singapore	**100**	100
GSH (Zhengzhou) Investments Pte Ltd[1]	Investment holding	Singapore	**100**	100
Borneo Ventures Pte Ltd[1]	Investment holding	Singapore	**100**	100
Ocean View Ventures Pte Ltd[1]	Investment holding	Singapore	**100**	100
Ocean View Point Pte Ltd[1]	Investment holding	Singapore	**100**	100
MXIM Holdings Pte Ltd[1]	Investment holding	Singapore	**100**	100
Prime Peninsular Holdings Pte Ltd[1]	Investment holding	Singapore	**100**	100
GSH International Enterprise Pte Ltd[1]	Investment holding	Singapore	**98.3**	98.3
GSH Island Investments Pte Ltd[1]	Investment holding	Singapore	**90**	90
City View Ventures Sdn Bhd[2]	Property development	Malaysia	**100**	100
Mewabumi Sdn Bhd[2]	Investment holding	Malaysia	**75.0**	75.0
Linyi Properties Sdn Bhd[2]	Property development	Malaysia	**75.0**	75.0
Xing Asia Impel Sdn Bhd[2]	Investment holding	Malaysia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

6 SUBSIDIARIES (cont'd)

Name of Subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group 2020 %	2019 %
Investasia Sdn Bhd[2]	Property development	Malaysia	**100**	100
The Sutera Harbour Group Sdn Bhd[2]	Investment holding	Malaysia	**77.5**	77.5
Sutera Harbour Resort Sdn Bhd[2]	Investment holding	Malaysia	**77.5**	77.5
The Little Shop Sdn Bhd[2]	Retailing of clothing, souvenirs and convenience items	Malaysia	**77.5**	77.5
Sutera Harbour Travel Sdn Bhd[2]	Upmarket train services	Malaysia	**77.5**	77.5
Sutera Harbour Golf & Country Club Berhad[2]	Operation of a 27-hole golf course and a marina together with clubhouse and other facilities	Malaysia	**77.5**	77.5
Eastworth Source Sdn Bhd[2]	Hotel operation	Malaysia	**77.5**	77.5
Advanced Prestige Sdn Bhd[2]	Hotel operation	Malaysia	**77.5**	77.5
Sutera Yacht Services Sdn Bhd[2,5]	Sale of fuel and other related bunkering services	Malaysia	**23.2**	23.2
Aspirasi Kukuh Sdn Bhd[2,5]	Property development	Malaysia	**50**	50
Rainbow Properties Sdn Bhd[2]	Island resort operation	Malaysia	**90**	90
GSH Facilities Management (Malaysia) Sdn Bhd[2]	Facilities management company	Malaysia	**100**	100
GSH (Middle East) Pte Ltd[4]	Investment holding	British Virgin Islands	**100**	100
Altheim International Ltd[4]	Investment holding	British Virgin Islands	**75.0**	75.0
Mainfield Holdings Ltd[4]	Investment holding	British Virgin Islands	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

6 SUBSIDIARIES (cont'd)

Name of Subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group 2020 %	2019 %
Twin Towers Properties Limited[4]	Investment holding	British Virgin Islands	**100**	100
Qingdao Timi Supply Chain Co., Ltd[3,5]	Frozen food trading	People's Republic of China ("PRC")	**50.4**	50.4
GSH Properties (Chongqing) Co., Ltd[3,5]	Property development	People's Republic of China ("PRC")	**51.0**	51.0

1 Audited by KPMG LLP, Singapore
2 Audited by KPMG, Malaysia
3 Audited by KPMG, China
4 Not required to be audited in accordance with the laws of country of incorporation
5 The company is considered a subsidiary of the Group as the Group was exposed to variable returns from the company and had the ability to affect those returns through managements' control over the financial and operating policies of the company
6 During the financial year, the Company made a capital contribution to its wholly owned subsidiary amounting to $28,000,000. This did not result in a change in the Company's effective equity interests in GSH Properties (PRC) Pte Ltd

Impairment of investment in subsidiaries

The Company assesses at the end of each reporting date whether there is objective evidence that the investment in subsidiaries is impaired and recognises an impairment charge when such evidence exists.

Management is of the view that no allowance for impairment loss is required for the investment in subsidiaries as at 31 December 2020 and 2019.

7 ASSOCIATE

	Note	Group 2020 $'000	Group 2019 $'000
Interest in an associate		–	67,448
Reclassification to asset held for sale	16	–	(67,448)
		–	–

Another member firm of KPMG International has been engaged for the audit of the significant associate for group consolidation purposes. For this purpose, an associated company is considered significant if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits, as defined under Singapore Exchange Limited Listing Manual.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

7 ASSOCIATE (cont'd)

On 29 November 2019, the Group entered into a conditional sale and purchase agreement with Henan Xinrun Industrial Co., Ltd, in relation to the sale of 171 million shares in its associate held by the Group ("Proposed Sale"), for an aggregate consideration of RMB278,000,000 (equivalent to $53,772,000) and any interest accrued.

As at 31 December 2019, the Group reclassified the interest in an associate to asset held for sale (see note 16).

Disposal of an associate

On 3 September 2020, the Group had completed the sale of shares in its associate pursuant to the terms and conditions of the Proposed Sales for a net cash consideration of $55,451,000, and a gain on disposal of $1,679,000 was recognised as "net foreign exchange loss" under Note 25.

The cash flows on the net assets of the associate disposed are provided below:

	Group $'000
Non-current asset	170,380
Current asset	74,319
Non-current liabilities	(3,681)
Current liabilities	(16,192)
Net assets	224,826
Group's interest in net assets of investee	67,448
Impairment loss recognised	(13,676)
Carrying amount of assets held for sale at beginning of the year	53,772
Gain on disposal	1,679
Total net cash consideration received	55,451

Details of the associate are as follows:

Name of associate	**Principal activities**	**Country of incorporation**	**Effective equity held by the Group 2020 %**	Effective equity held by the Group 2019 %
河南中原四季水产物流港股份有限公司及其子公司 ("Henan Zhongyuan Group")	Logistics and warehousing hub	People's Republic of China ("PRC")	–	30

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

8 OTHER INVESTMENTS

	Group and Company	
	2020	2019
	$'000	$'000
Non-current investments		
Equity investments – at FVOCI	**–**	26,068
Debt investments – at FVOCI	**15,739**	59,485
	15,739	85,553

During the year, the Group and the Company had disposed the following investments measured at FVOCI as they are no longer in line with the Group and the Company's strategy:

	Fair value at derecognition $'000	**Cumulative gain on disposal $'000**
Equity investments	21,062	795
Debt investments	62,187	2,722
	83,249	3,517

The cumulative gain on disposal of $795,000 was transferred from fair value reserve to accumulated profits.

Debt investments at FVOCI of the Group and the Company mature in 3 years starting from 2018.

The Group recognised dividend income of $1,240,000 (2019: $1,175,000) from the other investments.

Credit and market risks, and fair value measurement

Information about the Group's and the Company's exposures to credit and market risks, and fair value measurement, is included in Note 33.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

9 DEVELOPMENT PROPERTIES

Development properties comprise the following:

	Group	
	2020	2019
	$'000	$'000
Development properties for sale		
Properties under development, for which revenue is to be recognised over time		
Land and land related costs	**20,896**	20,174
Development costs	**178,493**	133,828
	199,389	154,002
Properties under development		
Land and land related costs	**214,080**	200,543
Government grants utilised	**(866)**	–
	213,214	200,543
	412,603	354,545

Securities

Certain development properties of the Group are mortgaged to the banks as collateral for credit facilities provided to the Group as disclosed in Note 20.

Estimation of allowance for foreseeable losses for development properties

The Group assesses at every reporting date whether any allowance for foreseeable losses is required. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

10 CONTRACT COSTS

	Group	
	2020	2019
	$'000	$'000
Contract costs	**14,690**	27,074

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

10 CONTRACT COSTS (cont'd)

(i) Capitalised commission

The amount relates to commission fees paid to property agents and legal fees for securing sale contracts. The Group has therefore capitalised the commission fees and amortised these commission fees when the related revenue is recognised. No impairment was recorded.

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	**7,080**	9,658
Addition	**2,135**	2,529
Amortised to profit or loss	**(5,010)**	(5,107)
At end of the year	**4,205**	7,080

(ii) Fulfilment cost

Costs that are attributable to the sold units are capitalised as fulfilment cost. These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue are recognised. No impairment was recorded.

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	**19,994**	30,996
Addition	**213**	3,759
Amortised to profit or loss	**(9,722)**	(14,761)
At end of the year	**10,485**	19,994

11 CONTRACT ASSETS/(LIABILITIES)

		Group	
	Note	**2020**	2019
		$'000	$'000
Contract assets	(i)	**21,254**	32,220
Contract liabilities	(ii)		
– Non-current		**(1,243)**	(1,291)
– Current		**(3,549)**	(6,733)
		(4,792)	(8,024)
Net contract assets		**16,462**	24,196

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

11 CONTRACT ASSETS/(LIABILITIES) (cont'd)

(i) Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

(ii) Contract liabilities

Contract liabilities relate primarily to:

- advance consideration received from customers for the sale of development property;
- progress billings issued in excess of the Group's rights to the consideration; and
- upfront golf membership fees received from customers.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

	Group	
	2020	2019
	$'000	$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(4,186)**	(2,060)
Increases due to cash received, excluding amounts recognised as revenue during the year	**926**	4,223
Exchange differences	**28**	5
	(3,232)	2,168

12 INVENTORIES

	Group	
	2020	2019
	$'000	$'000
Food and beverage	**309**	454
Spare parts and consumables	**392**	437
Merchandise	**64**	85
Trading goods	**8,054**	8,914
	8,819	9,890

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $46,818,000 (2019: $11,190,000). In 2020, the Group has a write-back of allowance on inventory amounting to NIL (2019: $2,000) which is included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Trade receivables	**24,141**	21,658	**7**	44
Less: Allowance for doubtful receivables	**(151)**	(75)	**–**	–
	23,990	21,583	**7**	44
Deposits	**1,240**	28,091	**3**	10
Interest receivables	**128**	220	**–**	2
Other receivables	**7,559**	3,130	**929**	1,910
	32,917	53,024	**939**	1,966
Advances to suppliers	**2,867**	7,536	**40**	38
Prepayments	**33,573**	1,034	**108**	124
	69,357	61,594	**1,087**	2,128
Non-current	**–**	1,819	**–**	–
Current	**69,357**	59,775	**1,087**	2,128
	69,357	61,594	**1,087**	2,128

In 2019, deposits of the Group include an amount of $26,934,000 paid for a land tender exercise for 4 plots of land in Chongqing, China. In 2020, the Group won the tender and whilst pending the issuance of the land titles for 3 out of 4 plots of land, an amount of $32,571,000 was included as prepayments.

Included in other receivables is an amount of $5,383,000 due from its joint venture partner in relation to potential penalties for the late commencement of construction for one of the Group's projects. The provision for potential penalties has been recorded as other payables (see Note 19).

Information about the Group and Company's exposure to credit risks and impairment losses for trade and other receivables are included in note 33.

14 AMOUNTS DUE FROM/(TO) RELATED PARTIES

Amounts due from related parties

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Non-trade amounts due from:				
– subsidiaries	**–**	–	**558,807**	530,125
– non-controlling interests	**567**	567	**–**	–
	567	567	**558,807**	530,125

Non-trade amounts due from non-controlling interests and subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

14 AMOUNTS DUE FROM/(TO) RELATED PARTIES (cont'd)

Amounts due from related parties (cont'd)

The Group and the Company uses the general approach for assessment of ECL for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Amounts due to related parties

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Non-trade amounts due to:				
– subsidiaries	**–**	–	**44,905**	23,730
– non-controlling interests	**37,703**	38,336	**–**	–
	37,703	38,336	**44,905**	23,730

Non-trade amounts due to subsidiaries and non-controlling interests are unsecured, interest-free and repayable on demand.

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Time deposits				
Bank deposits	**2,548**	8,264	**–**	–
Cash and cash equivalents				
Cash at bank and on hand	**51,338**	72,454	**997**	22,564
Fixed deposits with financial institutions	**30,328**	40,635	**–**	38,000
Cash and cash equivalents in the statements of financial position	**81,666**	113,089	**997**	60,564
Deposits pledged	**(30,178)**	(32,539)	**–**	–
Cash and cash equivalents in the statement of cash flows	**51,488**	80,550	**997**	60,564

Interest rates are repriceable as and when notified by the banks. The effective interest rates relating to cash and cash equivalents as at the reporting date for the Group is 0.01% to 3.85% (2019: 0.02% to 3.85%) per annum.

Deposits pledged represent bank balances of the Group and the Company pledged as security to obtain credit facilities (see note 20).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

16 ASSET HELD FOR SALE

Impairment loss relating to the asset held for sale

With the asset reclassification arising from the Proposed Sale (see Note 7), an impairment loss of $13,676,000 for the write-down of the asset held for sale to the lower of its carrying amount and its fair value less costs to sell has been included in "other expenses" in 2019.

The non-recurring fair value measurement for the asset held for sale of $53,772,000 has been categorised as a Level 3 fair value. The amount is the consideration amount of the Proposed Sale.

On 3 September 2020, the Group had completed the disposal of the asset held for sale pursuant to the terms and conditions of the Proposed Sale (see Note 7).

17 SHARE CAPITAL

	2020		2019	
	Number of shares	**$'000**	Number of shares	$'000
Company				
Issued and fully paid ordinary shares:				
At 1 January	**1,977,036,050**	**343,458**	1,977,036,050	343,458
Treasury shares	**(20,102,500)**	**(5,580)**	(18,102,700)	(5,131)
At 31 December	**1,956,933,550**	**337,878**	1,958,933,350	338,327

All issued ordinary shares are fully paid, with no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Group has acquired shares of 1,999,800 (2019: NIL) through purchases on the Singapore Exchange during the financial year ended 31 December 2020.

Capital management

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, to continue to develop and grow the business.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

17 SHARE CAPITAL (cont'd)

Capital management (cont'd)

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.

	Group	
	2020	2019
	$'000	$'000
Total loans and borrowings	**407,579**	513,679
Attributable to owners of the Company	**381,434**	487,381
Attributable to non-controlling interests	**26,145**	26,298
Less: Cash and cash equivalents and time deposit	**(84,214)**	(121,353)
Attributable to owners of the Company	**(63,263)**	(115,785)
Attributable to non-controlling interests	**(20,951)**	(5,568)
Net debt	**323,365**	392,326
Total equity	**486,708**	479,316
Net debt equity ratio	**0.66**	0.82
Net debt equity ratio (excluding non-controlling interests)	**0.85**	0.95

No changes were made to the above objectives, policies and processes during the year ended 31 December 2020 and 2019.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Dividends

The following exempt (one-tier) dividends in respect of the previous financial year was paid by the Group and Company:

For the year ended 31 December

	Group and Company	
	2020	2019
	$'000	$'000
Paid by the Company to owners of the Company		
0.25 cents (2019: NIL cents) per qualifying ordinary share	**4,892**	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

17 SHARE CAPITAL (cont'd)

Dividends (cont'd)

Subsequent to the reporting date, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2020	2019
	$'000	$'000
NIL cents per qualifying ordinary share (2019: 0.25 cents per qualifying ordinary share)	**–**	4,892

18 RESERVES

	Group	
	2020	2019
	$'000	$'000
Asset revaluation reserve	**4,132**	4,132
Translation reserve	**(37,128)**	(40,501)
Fair value reserve	**645**	4,820
	(32,351)	(31,549)

Asset revaluation reserve

Asset revaluation reserve represents increases in the fair value of leasehold building, net of tax, and decreases to the extent that such decrease relates to an increase in the same asset previously recognised in other comprehensive income. In 2014, the leasehold building was transferred to investment property. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

18 RESERVES (cont'd)

Fair value reserve

The fair value reserve comprises:

- the cumulative net change in the fair value of equity investments designated at FVOCI; and
- the cumulative net change in fair value of debt investments at FVOCI until the assets are derecognised or reclassified. This amount is reduced by derecognition of equity and debt investments.

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Trade payables	**40,416**	50,153	**–**	–
Accruals				
– operating expenses	**6,292**	11,047	**1,493**	3,138
– provisions	**5,383**	–	**–**	–
Rental and other deposits	**1,012**	1,223	**5**	–
Other payables	**1,169**	3,238	**45**	45
Advance payments from customers	**981**	3,598	**–**	5
Deferred income	**18,879**	–	**62**	–
	74,132	69,259	**1,605**	3,188
Non-current	**399**	373	**–**	–
Current	**73,733**	68,886	**1,605**	3,188
	74,132	69,259	**1,605**	3,188

The Group and the Company's exposures to liquidity risk related to trade and other payables are disclosed in Note 33.

Provisions of $5,383,000 were made due to potential penalties for late commencement of construction for one of the Group's projects. However, the Group has obtained an indemnity from its joint venture partner for the project against such potential penalties, and accordingly an other receivable of the same amount was recorded (see Note 13).

In 2020, the Group received a government grant equivalent to $21,886,000 in relation to one of its property projects.

The government grant may be required to be repaid in full if the following conditions are not met:

a) The project is not completed to the required specifications;

b) The project is not completed by the end of 2022.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

19 TRADE AND OTHER PAYABLES (cont'd)

At the reporting date, the Group has assessed that it will comply with the relevant conditions of the grant and has recognised the grant in full as deferred income when received. The grant utilised is recognised as a deduction of the related costs after they are approved for use by the relevant government authorities.

The grant utilised during the year was recognised as follows:

a) $1,793,000 was recognised as a deduction from the cost of property, plant and equipment (see Note 4);

b) $866,000 was recognised as a deduction from the cost of development properties (see Note 9); and

c) $405,000 was recognised in the profit or loss as a deduction from the related expenses on a systematic basis against the allowable expenses incurred.

20 LOANS AND BORROWINGS

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Non-current liabilities				
Unsecured bank loans	**5,000**	39,950	**5,000**	39,950
Secured bank loans	**161,583**	174,271	**23,327**	21,684
Medium term note	**79,606**	99,322	**79,606**	99,322
Lease liabilities	**937**	3,553	**–**	–
Redeemable preference shares	**426**	428	**–**	–
	247,552	317,524	**107,933**	160,956
Current liabilities				
Unsecured bank loan	**51,976**	40,000	**51,976**	40,000
Secured bank loans	**57,331**	85,420	**41,611**	61,601
Medium term note	**49,939**	69,862	**49,939**	69,862
Lease liabilities	**781**	873	**–**	–
	160,027	196,155	**143,526**	171,463
Total loans and borrowings	**407,579**	513,679	**251,459**	332,419
Maturities of liabilities (excluding finance lease liabilities)				
Within 1 year	**159,247**	195,282	**143,526**	171,463
After 1 year but within 5 years	**227,765**	295,943	**89,084**	143,355
After 5 years	**18,849**	18,028	**18,849**	17,601
	405,861	509,253	**251,459**	332,419

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

20 LOANS AND BORROWINGS (cont'd)

Classification of redeemable preference shares

Redeemable preference shares do not carry the right to vote and rank equally with other shares with regard to the Sutera Harbour Golf & Country Club Berhad's residual assets.

The redeemable preference shares are mandatorily redeemable at par on 31 December 2091 by a subsidiary, Sutera Harbour Golf & Country Club Berhad. The Group has the obligation to pay at par value to preference shareholders at the redemption date. As such, the Group has determined that the redeemable preference shares are classified as liabilities.

Medium term note

The Company established a $800,000,000 Multicurrency Medium Term Note Programme in 2016. During the year, the Company issued additional tranche of $30,000,000 (2019: $50,000,000) 3 years unsecured fixed rate notes due in 2022 (2019: due in 2022). These fixed rate notes bear interest at a rate of 5.20% (2019: 5.20%) per annum payable semi-annually in arrears and are listed on the SGX-ST.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate per annum %	Year of maturity	Carrying amount $'000
Group				
At 31 December 2020				
Unsecured bank loan	SGD	**1.72 – 2.37**	**2021 – 2025**	**56,976**
Secured bank loans[1,2]	SGD	**0.80 – 2.10**	**2021 – 2045**	**93,264**
Secured bank loans[1]	MYR	**3.73 – 3.98**	**2025**	**113,994**
Secured bank loans[1]	USD	**0.84**	**2021**	**11,656**
Medium term note	SGD	**5.15 – 5.20**	**2021 – 2022**	**129,545**
Lease liabilities	MYR	**2.45 – 6.65**	**2021 – 2037**	**1,718**
Redeemable preference shares	MYR	**NIL**	**2091**	**426**
Total loans and borrowings				**407,579**
At 31 December 2019				
Unsecured bank loan	SGD	3.01 – 3.89	2020 – 2021	79,950
Secured bank loans[1,2]	SGD	1.76 – 4.05	2020 – 2041	150,085
Secured bank loans[1]	MYR	5.64 – 5.89	2024	109,606
Medium term note	SGD	5.15 – 5.20	2020 – 2022	169,184
Lease liabilities	MYR	2.35 – 6.65	2020 – 2048	4,426
Redeemable preference shares	MYR	NIL	2091	428
Total loans and borrowings				513,679

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

20 LOANS AND BORROWINGS (cont'd)

Terms and debt repayment schedule (cont'd)

Terms and conditions of outstanding loans and borrowings are as follows: (cont'd)

	Currency	Nominal interest rate per annum %	Year of maturity	Carrying amount $'000
Company				
At 31 December 2020				
Unsecured bank loan	SGD	**1.72 – 2.37**	**2021 – 2025**	**56,976**
Secured bank loans[2]	SGD	**0.84 – 2.10**	**2021 – 2045**	**53,282**
Secured bank loans[1]	USD	**0.84**	**2021**	**11,656**
Medium term note	SGD	**5.15 – 5.20**	**2021 – 2022**	**129,545**
Total loans and borrowings				**251,459**
At 31 December 2019				
Unsecured bank loan	SGD	3.01 – 3.89	2020 – 2021	79,950
Secured bank loans[2]	SGD	2.00 – 2.82	2020 – 2041	83,285
Medium term note	SGD	5.15 – 5.20	2020 – 2022	169,184
Total loans and borrowings				332,419

1 The loans are secured by:
- (a) pledged fixed deposit of $32,548,000 (2019: $32,549,000) by the Group;
- (b) a first legal mortgage over certain development properties of the Group's subsidiaries with a carrying amount of $102,993,000 (2019: $153,248,000);
- (c) corporate guarantees executed by the Company;
- (d) the Group's shares in Sutera Harbour Resort Sdn Bhd, Advanced Prestige Sdn Bhd, Eastworth Source Sdn Bhd, Sutera Harbour Travel Sdn Bhd, The Little Shop Sdn Bhd and GSH Properties (PRC) Pte Ltd;
- (e) debenture incorporating a fixed and floating charge over generally all its present and future assets of the Sutera Harbour Resort Sdn Bhd; Advanced Prestige Sdn Bhd, Eastworth Source Sdn Bhd, Sutera Harbour Travel Sdn Bhd, The Little Shop Sdn Bhd and Sutera Harbour Golf and Country Club Berhad;
- (f) a first legal mortgage over the Group's property, plant and equipment with a carrying amount of $181,471,000 (2019: $184,621,000);
- (g) assignment of revenues or sales proceeds from the assets and properties of Sutera Harbour Resort Sdn Bhd and its subsidiaries;
- (h) a debenture incorporating a fixed and floating charge over generally all its present and future assets in connection with certain of the Group's subsidiaries' development property;
- (i) a first legal charge over certain debt service reserve account; and
- (j) an undertaking from the Company to provide additional funds/advances required to meet any cashflow shortfalls in certain of the Group's subsidiaries debt service obligations.

2 First legal mortgage charge over the Company's property, plant and equipment with a carrying amount of $27,973,000 (2019: $28,385,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

20 LOANS AND BORROWINGS (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Secured and unsecured bank loans $'000	Medium term note $'000	Lease liabilities $'000	Interest payable $'000	Total $'000
				Restated*		
Restated balances at 1 January 2019		271,026	179,195	4,015	1,671	455,907
Changes from financing cash flows						
Interest paid		–	–	–	(19,698)	(19,698)
Payment of lease liabilities		–	–	(914)	–	(914)
Repayments of loans and borrowings		(209,436)	(60,000)	–	–	(269,436)
Proceeds from loans and borrowings		277,967	49,531	–	–	327,498
Total changes from financing cash flows		68,531	(10,469)	(914)	(19,698)	37,450
The effect of changes in foreign exchange rates		(270)	–	(9)	(1)	(280)
Other changes						
Interest expenses	25	–	–	105	19,941	20,046
New leases		–	–	1,229	–	1,229
Amortisation of transaction costs previously capitalised		354	458	–	–	812
Total other changes		354	458	1,334	19,941	22,087
At 31 December 2019		339,641	169,184	4,426	1,913	515,164

* See note 2.5.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

20 LOANS AND BORROWINGS (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Note	Secured and unsecured bank loans $'000	Medium term note $'000	Lease liabilities $'000	Interest payable $'000	Total $'000
Restated balances at 1 January 2020		**339,641**	**169,184**	**4,426**	**1,913**	**515,164**
Changes from financing cash flows						
Interest paid		**–**	**–**	**(96)**	**(17,040)**	**(17,136)**
Derecognition of finance lease		**–**	**–**	**(1,922)**	**–**	**(1,922)**
Payment of lease liabilities		**–**	**–**	**(780)**	**–**	**(780)**
Repayments of loans and borrowings		**(245,357)**	**(70,000)**	**–**	**–**	**(315,357)**
Proceeds from loans and borrowings		**181,659**	**29,872**	**–**	**–**	**211,531**
Total changes from financing cash flows		**(63,698)**	**(40,128)**	**(2,798)**	**(17,040)**	**(123,664)**
The effect of changes in foreign exchange rates		**(398)**	**(1)**	**(17)**	**(131)**	**(547)**
Other changes						
Interest expenses	25	**–**	**–**	**96**	**16,548**	**16,644**
New leases		**–**	**–**	**11**	**–**	**11**
Amortisation of transaction costs previously capitalised		**345**	**490**	**–**	**–**	**835**
Total other changes		**345**	**490**	**107**	**16,548**	**17,490**
At 31 December 2020		**275,890**	**129,545**	**1,718**	**1,290**	**408,443**

21 DEFERRED TAX ASSETS AND LIABILITIES

Movements in the deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2019 $'000	Recognised in profit or loss (note 26) $'000	Effect of movements in exchange rates $'000	At 31 December 2019 $'000	Recognised in profit or loss (note 26) $'000	Effect of movements in exchange rates $'000	At 31 December 2020 $'000
Group							
Deferred tax assets							
Unutilised tax losses	–	2,739	(2)	2,737	1,221	(8)	**3,950**
Unutilised deductible temporary differences	2,037	2,735	–	4,772	675	(4)	**5,443**
	2,037	5,474	(2)	7,509	1,896	(12)	**9,393**
Deferred tax liabilities							
Property, plant and equipment	(60,684)	787	120	(59,777)	4,038	214	**(55,525)**
	(60,684)	787	120	(59,777)	4,038	214	**(55,525)**
Total	(58,647)	6,261	118	(52,268)	5,934	202	**(46,132)**
Company							
Deferred tax assets							
Unutilised deductible temporary differences	–	–	–	–	847	–	**847**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

21 DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are included in the statement of financial position as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Deferred tax assets	**1,110**	–	**847**	–
Deferred tax liabilities	**(47,242)**	(52,268)	**–**	–

Unrecognised deferred tax assets

The Group has certain unutilised tax losses of $5,748,000 (2019: $5,265,000) as at 31 December 2020 for which related tax benefits have not been included in the financial statements. The tax losses are available for offset against future taxable profits of the companies in which the losses arose but for which no deferred tax asset has been recognised due to uncertainty of their recoverability. The use of tax losses is subject to the agreement by the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates.

22 DERIVATIVE FINANCIAL LIABILITIES

	2020		2019	
	Contract/ notional amount $'000	**Liabilities $'000**	Contract/ notional amount $'000	Liabilities $'000
Group				
Non-hedging instruments				
– Forward exchange contracts	**32,726**	**(1,260)**	77,824	(356)
Derivative financial liabilities	**32,726**	**(1,260)**	77,824	(356)
Company				
Non-hedging instruments				
– Forward exchange contracts	**32,726**	**(1,260)**	61,602	(209)
Derivative financial liabilities	**32,726**	**(1,260)**	61,602	(209)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

23 REVENUE

In the following table, revenue is disaggregated by primary geographical market, major product and services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 29).

	Hospitality		Property		Trading		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Primary geographical markets								
Malaysia	**22,674**	77,387	**50,365**	72,205	**–**	–	**73,039**	149,592
China	**–**	–	**–**	–	**47,174**	4,117	**47,174**	4,117
	22,674	77,387	**50,365**	72,205	**47,174**	4,117	**120,213**	153,709
Major products and services lines								
Hotel income	**9,930**	45,427	**–**	–	**–**	–	**9,930**	45,427
Golf club related income	**4,944**	7,362	**–**	–	**–**	–	**4,944**	7,362
Sale of goods	**7,691**	24,495	**–**	–	**47,174**	4,117	**54,865**	28,612
Sale of development properties	**–**	–	**50,365**	72,205	**–**	–	**50,365**	72,205
Others	**109**	103	**–**	–	**–**	–	**109**	103
	22,674	77,387	**50,365**	72,205	**47,174**	4,117	**120,213**	153,709
Timing of revenue recognition								
Products transferred at a point in time	**7,691**	24,495	**–**	–	**47,174**	4,117	**54,865**	28,612
Products and services transferred over time	**14,983**	52,892	**50,365**	72,205	**–**	–	**65,348**	125,097
	22,674	77,387	**50,365**	72,205	**47,174**	4,117	**120,213**	153,709

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

23 REVENUE (cont'd)

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Note	Group	
		2020	2019
		$'000	$'000
Aggregate amount of the transaction price allocated to golf club membership contracts that are partially or fully unsatisfied as at 31 December	a	**1,279**	1,216
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially or fully unsatisfied as at 31 December	b	**101,230**	142,561
		102,509	143,777

a) The Group expects that 2.5% (2019: 2.5%) of the transaction price allocated to the unsatisfied contracts will be recognised as revenue for each financial year until 2055.

b) The Group expects the full transaction price allocated to the unsatisfied contracts to be recognised as revenue over the next one to two years (2019: one to two years).

24 OTHER NET INCOME

	Group	
	2020	2019
	$'000	$'000
Rental income	**725**	900
Rental rebate	**68**	–
Late interest income	**1,589**	463
Change in fair value of investment property	**(150)**	(185)
(Allowance for)/Reversal of allowance for:		
– trade receivables	**(76)**	11
– inventories	**(5)**	2
Net loss on disposal of property, plant and equipment	**(10)**	(125)
Gain on disposal of quoted investments	**–**	301
Forfeiture income and compensation income	**98**	480
Insurance income	**126**	–
Others	**837**	732
	3,202	2,579

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

25 NET FINANCE COSTS

	Group	
	2020	2019
	$'000	$'000
Interest income	**780**	1,689
Dividend income:		
– Equity investments – at FVOCI	**198**	1,175
– Debt investments – at FVOCI	**1,042**	–
Finance income	**2,020**	2,864
Financial liabilities measured at amortised cost – interest expense		
– bank loans	**(15,964)**	(18,916)
– lease liabilities	**(680)**	(1,130)
– others	**(350)**	(391)
Amortisation of transaction costs previously capitalised	**(835)**	(812)
	(17,829)	(21,249)
Net change in fair value of financial derivatives	**(904)**	(895)
Net foreign exchange loss*	**(1,695)**	(486)
Finance costs	**(20,428)**	(22,630)
Net finance costs recognised in profit or loss	**(18,408)**	(19,766)

* Included in net foreign exchange loss is an unrealised foreign exchange gain arising from the revaluation of a fixed deposit pledged of $8,000 (2019: unrealised foreign exchange gain of $35,000).

26 TAX (CREDIT)/EXPENSE

	Group	
	2020	2019
	$'000	$'000
Current tax expense		
Current year	**5,136**	6,682
Adjustment in prior years	**195**	72
	5,331	6,754
Deferred tax credit		
Current year	**(5,391)**	(5,463)
Adjustment in prior years	**(543)**	(798)
	(5,934)	(6,261)
Tax (credit)/expense	**(603)**	493

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

26 TAX (CREDIT)/EXPENSE (cont'd)

	Group	
	2020	2019
	$'000	$'000
Reconciliation of effective tax rate		
(Loss)/Profit before tax	**(16,438)**	10,482
Less: Share of profit of equity-accounted investee (net of tax)	**–**	(5,878)
	(16,438)	4,604
Tax using the Singapore tax rate of 17% (2019: 17%)	**(2,795)**	783
Effect of tax rates in foreign jurisdictions	**1,145**	1,916
Non-deductible expenses	**1,775**	3,639
Income not subjected to tax	**(498)**	(1,519)
Utilisation of deferred tax assets previously not recognised	**–**	(3,502)
Deferred tax asset not recognised	**116**	19
Adjustment in prior years:		
– current tax	**195**	72
– deferred tax	**(543)**	(798)
Others	**2**	(117)
	(603)	493

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made.

Tax expense includes the capital gains tax on the sale of asset held for sale amounting to $1,545,000 (2019: NIL).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

27 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group	
	2020	2019
	$'000	$'000
Audit fees paid to:		
– auditors of the Company	**154**	110
– other member firms of KPMG International	**147**	257
Non-audit fees paid to:		
– other auditors	**117**	101
Employee benefits expenses (see below)	**15,730**	28,126
Operating lease expense	**197**	90
Operating expenses arising from rental of investment properties	**145**	76
Employee benefits expense		
Staff costs	**14,346**	25,743
Contribution to defined contribution plans included in staff costs	**1,384**	2,383
	15,730	28,126

Included in staff costs for 2020 are wage support of $679,000 from the Singapore and Malaysia Governments' enhanced measures in response to the COVID-19 coronavirus pandemic.

28 EARNINGS PER SHARE

The basic and diluted earnings per share are as follows:

(Loss)/Profit attributable to ordinary shareholders

	Group	
	2020	2019
	$'000	$'000
Earnings per share is based on:		
(Loss)/Profit attributable to ordinary shareholders	**(14,139)**	7,602

Weighted-average number of ordinary shares

	Group	
	Number of shares	
	2020	2019
	'000	'000
Issued ordinary shares at 1 January	**1,977,036**	1,977,036
Effect of treasury shares	**(19,638)**	(18,103)
Weighted-average number of ordinary shares during the year	**1,957,398**	1,958,933

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

28 EARNINGS PER SHARE (cont'd)

Weighted-average number of ordinary shares (cont'd)

	Group	
	2020	2019
Earnings per share		
Basic and diluted (loss)/earnings per share (cents)	**(0.72)**	0.39

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.

29 OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

(i) Hospitality – operation of hotels, golf and marina club.

(ii) Property – sale of properties and rental income from investment properties owned by the Group.

(iii) Trading – frozen food trading.

(iv) Others – mainly investment holdings.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

29 OPERATING SEGMENTS (cont'd)

	Hospitality $'000	Property $'000	Trading $'000	Others $'000	Total $'000
31 December 2020					
Segment revenue	22,674	50,365	47,174	4,206	124,419
Elimination of inter-segment revenue	–	–	–	(4,206)	(4,206)
External revenue	22,674	50,365	47,174	–	120,213
Interest income	139	440	79	122	780
Interest expense	(4,999)	(1,578)	–	(11,252)	(17,829)
Other material non-cash items:					
– Net change in fair value of financial derivatives	–	148	–	(1,052)	(904)
– Depreciation	(8,966)	(1,546)	(46)	(546)	(11,104)
Reportable segment profit/(loss) before tax	(10,930)	10,936	2,372	(18,816)	(16,438)
Tax expense	3,201	(2,875)	(570)	847	603
Reportable segment profit/(loss) after tax	(7,729)	8,061	1,802	(17,969)	(15,835)
Reportable segment assets	388,719	607,663	19,496	43,915	1,059,793
Reportable segment liabilities	(177,608)	(139,599)	(1,494)	(254,384)	(573,085)
Capital expenditure	7,482	22,552	2	10	30,046

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

29 OPERATING SEGMENTS (cont'd)

	Hospitality $'000	Property $'000	Others $'000	Total $'000
31 December 2019				
Segment revenue	77,444	72,205	8,849	158,498
Elimination of inter-segment revenue	(57)	–	(4,732)	(4,789)
External revenue	77,387	72,205	4,117	153,709
Interest income	516	541	632	1,689
Interest expense	(7,137)	(2,074)	(12,038)	(21,249)
Other material non-cash items:				
– Net change in fair value of financial derivatives	–	(457)	(438)	(895)
– Depreciation	(9,720)	(1,339)	(653)	(11,712)
Reportable segment profit/(loss) before tax	16,198	12,745	(18,461)	10,482
Tax expense	(1,445)	972	(20)	(493)
Reportable segment profit/(loss) after tax	14,753	13,717	(18,481)	9,989
Share of profit of equity-accounted investee	–	5,878	–	5,878
Reportable segment assets	402,711	565,956	193,266	1,161,933
Reportable segment liabilities	(184,994)	(157,796)	(339,827)	(682,617)
Capital expenditure	9,863	2,383	168	12,414

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

29 OPERATING SEGMENTS (cont'd)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of service is rendered or product is located. Segment assets are based on the geographical location of the assets.

	Revenue		Non-current assets*	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Malaysia	**73,039**	149,592	**379,987**	384,367
Middle East	**–**	–	**4,472**	4,694
Singapore	**–**	–	**25,645**	26,183
China	**47,174**	4,117	**20,457**	121
	120,213	153,709	**430,561**	415,365

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

30 LEASES

Leases as lessee

The Group leases office, warehouse and staff accommodation space under non-cancellable operating lease agreements. The leases typically run for an initial period of one to two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

The office, warehouse and staff accommodation space leases were entered into many years ago and these leases were classified as operating leases under SFRS(I) 1-17.

The Group leases leasehold land, motor vehicles and office equipment under a number of leases, which were classified as finance leases under SFRS(I) 1-17.

The Group leases IT equipment and furniture and fittings with contract term of one to three years. These leases are short-term/or leases of low-value assets with a value, when new, of $8,000 or less. The Group has elected not to recognised right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased assets that do not meet the definition of investment property are presented as property, plant and equipment (see note 4).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

30 LEASES (cont'd)

	Golf club and hotel buildings, improvements and renovation $'000	Hotel and other operating equipment, office equipment and furniture and fittings $'000	Motor vehicles and vessels $'000	Total $'000
Group				
Balance at 1 January 2020	**785**	**1,141**	**322**	**2,248**
Depreciation charge for the year	**(347)**	**(264)**	**(48)**	**(659)**
Additions to right-of-use of assets	**–**	**11**	**–**	**11**
Effect of movements in exchange rates	**(3)**	**(5)**	**(1)**	**(9)**
Balance at 31 December 2020	**435**	**883**	**273**	**1,591**
Balance at 1 January 2019	958	277	61	1,296
Depreciation charge for the year	(349)	(166)	(114)	(629)
Additions to right-of-use assets	–	854	375	1,229
Provision for reinstatement cost	178	177	–	355
Effect of movements in exchange rates	(2)	(1)	–	(3)
Balance at 31 December 2019	785	1,141	322	2,248

Amount recognised in profit or loss

Leases under SFRS(I) 16

	Group	
	2020 $'000	2019 $'000
Interest on lease liabilities	**96**	105
Expenses relating to leases of short-term leases and low-value assets	**197**	90
	293	195

Amount recognised in statement of cash flows

	Group	
	2020 $'000	2019 $'000
Total cash outflow for leases	**(780)**	(914)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

30 LEASES (cont'd)

Extension option

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Rent concessions

The Group received rent concessions with respect to the lease of $68,000 as a result of the severe impact of the COVID-19 pandemic during the year. The Group applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions relating to its leases. The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19-related rent concessions is $68,000 (2019: NIL).

Leases as lessor

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 sets out information about the operating leases of investment property.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2020	2019
	$'000	$'000
Operating leases under SFRS(I) 16		
Less than one year	**671**	873
Between one year and five years	**1,728**	1,658
Total	**2,399**	2,531

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

31 FINANCIAL GUARANTEE CONTRACTS

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities granted to subsidiaries. The maximum exposure of the Company is $153,977,000 (2019: $176,406,000). At the reporting date, the Company has not recognised an ECL provision as the Company does not consider it probable that a claim will be made against the Company under the guarantee. As at 31 December 2020, the carrying amount represented the initial fair value less the cumulative amount of income recognised and the amount that would have been recognised if they had been accounted for as contingent liabilities. The period in which the financial guarantees will expire are as follows:

	Company	
	2020	2019
	$'000	$'000
Within one year	**15,720**	23,819
After one year but within five years	**138,257**	152,587
	153,977	176,406

32 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties concerned:

4 directors (2019: 5 directors) subscribed to fixed rate medium term notes issued by the Company during the year, amounting to $27,250,000 (2019: $15,500,000). The interest on the notes that was paid to the five directors amounted to $3,533,000 (2019: $2,882,000).

Key management personnel remuneration

Key management personnel remuneration is as follows:

	Group	
	2020	2019
	$'000	$'000
Short-term employee benefits	**2,188**	3,753
Post-employment benefits (including Central Provident Fund)	**90**	103
	2,278	3,856

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and debt investments.

At the reporting date, there is no significant concentration of credit risk for the Group. At the reporting date, the amounts owing by subsidiaries represent a significant portion of the Company's financial assets. Except as disclosed, there is no significant concentration of credit risk for the Company. The carrying amounts of financial assets and contract assets represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

Impairment losses on trade receivables recognised in profit or loss were as follows:

	2020 **$'000**	2019 $'000
Allowance for/(reversal of) impairment loss on trade receivables arising from contracts with customers	**76**	(11)

Trade and other receivables and contract assets

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets. The Group does not have trade receivables and contract assets for which no allowance is recognised because of collaterals.

The Group establishes an allowance for impairment that represents its estimate of the specific loss component in respect of trade and other receivables. The allowance account in respect of trade receivables and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for trade and other receivables (excluding advances to suppliers and prepayments) by geographical region was as follows.

	Group	
	2020 **$'000**	2019 $'000
Malaysia	**25,890**	23,682
Singapore	**940**	28,591
China	**6,051**	710
Other countries	**36**	41
	32,917	53,024

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

Exposure to credit risk **(cont'd)**

The maximum exposure to credit risk for trade and other receivables (excluding advances to suppliers and prepayments) at the reporting date by business segment is set out below:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Hotel operations	**2,084**	4,876	**–**	–
Property development	**29,536**	45,685	**–**	–
Others	**1,297**	2,463	**939**	1,966
	32,917	53,024	**939**	1,966

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. The exposure to credit risk and ECL for trade receivables is insignificant.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables (excluding advances to suppliers and prepayments):

	Group		Company	
	Gross carrying amount $'000	**Impairment loss allowance $'000**	**Gross carrying amount $'000**	**Impairment loss allowance $'000**
2020				
Not past due	**12,066**	**(23)**	**939**	**–**
Past due less than 30 days	**3,874**	**(19)**	**–**	**–**
Past due 31 to 60 days	**2,508**	**(18)**	**–**	**–**
Past due over 60 days	**14,620**	**(91)**	**–**	**–**
	33,068	**(151)**	**939**	**–**
2019				
Not past due	38,900	(5)	1,966	–
Past due less than 30 days	5,586	(4)	–	–
Past due 31 to 60 days	2,108	(4)	–	–
Past due over 60 days	6,505	(62)	–	–
	53,099	(75)	1,966	–

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

Movements in allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group Lifetime ECL $'000
At 1 January 2019	86
Impairment loss reversed	(107)
Impairment loss recognised	96
At 31 December 2019	75
Impairment loss reversed	(71)
Impairment loss recognised	147
At 31 December 2020	151

Impairment losses recognised/(reversed) were included in "other net income".

Derivatives

Derivatives are entered into with bank and financial institution counterparties, which are regulated.

Debt investments

The Group limits its exposure to credit risk on investments held by investing only in liquid debt securities and only with counterparties that are of acceptable credit quality. The Group considers that its debt investments have low credit risk as the investments are principal protected notes.

Cash and cash equivalents and time deposits

The Group and Company held cash and cash equivalents and time deposits of $81,666,000 and $2,548,000, respectively at 31 December 2020 (2019: cash and cash equivalents amounting to $113,089,000 and time deposits amounting to $8,264,000). The amounts are held with banks, which are regulated.

Impairment on cash and cash equivalents and time deposits have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents and time deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents and time deposits were negligible.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

Guarantees

The maximum exposure of the Company in respect of the intra-group financial guarantee at the end of the reporting period is $153,977,000 (2019: $176,406,000).

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the financial guarantees.

Non-trade amounts due from related parties

The Group and Company held non-trade receivables from related parties of $567,000 (2019: $567,000) and $558,807,000 (2019: $530,125,000) respectively. The Group and Company uses a similar approach for assessment of ECLs for these receivables to those used for debt investments. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements and management accounts, if available, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis and the amount of the allowance is insignificant.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Cash flows After 1 year but within 5 years $'000	After 5 years $'000
Group					
At 31 December 2020					
Non-derivative financial liabilities					
Trade and other payables*	**54,272**	**(54,272)**	**(54,272)**	**–**	**–**
Amounts due to related parties	**37,703**	**(37,703)**	**(37,703)**	**–**	**–**
Unsecured bank loan	**56,976**	**(57,788)**	**(52,363)**	**(5,425)**	**–**
Secured bank loans	**218,914**	**(243,350)**	**(52,963)**	**(168,191)**	**(22,196)**
Medium term note	**129,545**	**(137,867)**	**(54,938)**	**(82,929)**	**–**
Lease liabilities	**1,718**	**(1,903)**	**(867)**	**(758)**	**(278)**
Redeemable preference shares	**426**	**(426)**	**–**	**–**	**(426)**
	499,554	**(533,309)**	**(253,106)**	**(257,303)**	**(22,900)**
At 31 December 2019					
Non-derivative financial liabilities					
Trade and other payables*	65,661	(65,661)	(65,661)	–	–
Amounts due to related parties	38,336	(38,336)	(38,336)	–	–
Unsecured bank loan	79,950	(82,878)	(42,796)	(40,082)	–
Secured bank loans	259,691	(296,921)	(93,790)	(173,379)	(29,752)
Medium term note	169,184	(183,552)	(77,990)	(105,562)	–
Finance lease liabilities	4,426	(6,573)	(1,107)	(2,037)	(3,429)
Redeemable preference shares	428	(428)	–	–	(428)
	617,676	(674,349)	(319,680)	(321,060)	(33,609)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Cash flows After 1 year but within 5 years $'000	After 5 years $'000
Company					
At 31 December 2020					
Non-derivative financial liabilities					
Trade and other payables*	**1,543**	**(1,543)**	**(1,543)**	**–**	**–**
Amounts due to related parties	**44,905**	**(44,905)**	**(44,905)**	**–**	**–**
Unsecured bank loan	**56,976**	**(57,788)**	**(52,363)**	**(5,425)**	**–**
Secured bank loans	**64,938**	**(71,168)**	**(42,568)**	**(6,404)**	**(22,196)**
Medium term note	**129,545**	**(137,867)**	**(54,938)**	**(82,929)**	**–**
Recognised financial liabilities	**297,907**	**(313,271)**	**(196,317)**	**(94,758)**	**(22,196)**
Intra-group financial guarantees	**–**	**(153,977)**	**(15,720)**	**(138,257)**	**–**
	297,907	**(467,248)**	**(212,037)**	**(233,015)**	**(22,196)**
At 31 December 2019					
Non-derivative financial liabilities					
Trade and other payables*	3,183	(3,183)	(3,183)	–	–
Amounts due to related parties	23,730	(23,730)	(23,730)	–	–
Unsecured bank loan	79,950	(82,878)	(42,796)	(40,082)	–
Secured bank loans	83,285	(88,536)	(62,083)	(5,741)	(20,712)
Medium term note	169,184	(183,552)	(77,990)	(105,562)	–
Recognised financial liabilities	359,332	(381,879)	(209,782)	(151,385)	(20,712)
Intra-group financial guarantees	–	(176,406)	(23,819)	(152,587)	–
	359,332	(558,285)	(233,601)	(303,972)	(20,712)

* Excludes advance payments from customers and deferred income

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities based on their earliest possible contractual maturity. Except for the cash flows arising from the intra-group financial guarantees, it is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's interest-bearing loan obligations and fixed deposits placed with financial institutions. The Group is not exposed to significant interest rate fluctuation. The Group does not use derivative financial instruments to hedge its interest rate risk.

At the reporting date, the interest rate profile of the Group and the Company's interest-bearing financial instruments is as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Fixed rate instruments				
Lease liabilities	**1,718**	4,426	**–**	–
Medium term note	**129,545**	169,184	**129,545**	169,184
	131,263	173,610	**129,545**	169,184
Variable rate instruments				
Unsecured bank loan	**56,976**	79,950	**56,976**	79,950
Secured bank loans	**218,914**	259,691	**64,938**	83,285
	275,890	339,641	**121,914**	163,235

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 bp in interest rates at the reporting dates would have increased/(decreased) profit before tax by the amounts shown below. There is no effect to the equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

	Profit before tax	
	50 bp Increase $'000	**50 bp Decrease $'000**
Group		
2020		
Variable rate instruments	**(1,379)**	**1,379**
2019		
Variable rate instruments	(1,698)	1,698
Company		
2020		
Variable rate instruments	**(610)**	**610**
2019		
Variable rate instruments	(816)	816

The sensitivity analysis is illustrative only and is based on simplified scenarios. The table shows interest rate risk exposures arising in interest-bearing liabilities. These particular exposures form only part of the Group's overall interest rate exposures.

Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings, including intercompany sales, purchases and intercompany balances are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which those transactions primarily are denominated are Malaysian Ringgit ("MYR"), United States Dollars ("USD"), United Arab Emirates Dirham ("AED") and Chinese Renminbi ("RMB").

The Group's risk management policy is to hedge all of its foreign currency exposure in respect of debt investments over the following 12 months. The Group uses forward exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date. Such contracts generally are designated as cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. Most of these contracts have a maturity of less than one year from the reporting date. The forward elements of forward exchange contracts are excluded from designation as the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging reserve. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by entering into certain financial derivative instruments including forward exchange contracts.

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	MYR $'000	EUR $'000	USD $'000	AED $'000	RMB $'000
Group					
As at 31 December 2020					
Debt investments – at FVOCI	**–**	**–**	**15,739**	**–**	**–**
Cash and cash equivalents	**–**	**–**	**96**	**14**	**7**
Forward exchange contracts	**(32,726)**	**–**	**–**	**–**	**–**
Net exposure	**(32,726)**	**–**	**15,835**	**14**	**7**
As at 31 December 2019					
Debt investments – at FVOCI	–	–	46,915	–	–
Cash and cash equivalents	–	21,598	176	102	5,063
Forward exchange contracts	(32,478)	(21,210)	(24,136)	–	–
Net exposure	(32,478)	388	22,955	102	5,063

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

	MYR $'000	EUR $'000	USD $'000
Company			
As at 31 December 2020			
Debt investments – at FVOCI	**–**	**–**	**15,739**
Cash and cash equivalents	**–**	**–**	**96**
Forward exchange contracts	**(32,726)**	**–**	**–**
Net exposure	**(32,726)**	**–**	**15,835**
As at 31 December 2019			
Debt investments – at FVOCI	–	–	46,915
Cash and cash equivalents	–	21,021	123
Forward exchange contracts	(16,256)	(21,210)	(24,136)
Net exposure	(16,256)	(189)	22,902

Sensitivity analysis

A 5% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting dates held by the Group would increase/(decrease) equity and profit by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit or loss $'000	Company Profit or loss $'000
31 December 2020		
MYR	**(1,636)**	**(1,636)**
USD	**792**	**792**
AED	**1**	**–**
	(843)	**(844)**
31 December 2019		
MYR	(1,624)	(813)
EURO	19	(9)
USD	1,148	1,145
AED	5	–
RMB	253	–
	(199)	323

Investment price risk

The Group and the Company have investments classified as FVOCI which are exposed to the volatility in returns and investment performance risk. An increase/(decrease) in the underlying net asset value of the investments at the reporting date by 5% for the Group and the Company, would increase/(decrease) equity by $787,000 (2019: $4,278,000). This analysis assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, for the current year the fair value disclosure of lease liabilities is also not required.

		Carrying amounts						Fair value			
	Note	Fair value – hedging instruments $'000	FVTPL $'000	Amortised cost $'000	FVOCI $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group											
31 December 2020											
Financial instruments measured at fair value											
Debt investments – at FVOCI	8	–	–	–	15,739	–	15,739	15,739	–	–	15,739
		–	–	–	15,739	–	15,739				
Financial assets not measured at fair value											
Trade and other receivables*	13	–	–	32,917	–	–	32,917				
Amount due from related parties	14	–	–	567	–	–	567				
Time deposits	15	–	–	2,548	–	–	2,548				
Cash and cash equivalents	15	–	–	81,666	–	–	81,666				
		–	–	117,698	–	–	117,698				
Financial liabilities measured at fair value											
Derivative financial liabilities	22	–	(1,260)	–	–	–	(1,260)	–	(1,260)	–	(1,260)
Financial liabilities not measured at fair value											
Trade and other payables**	19	–	–	–	–	(54,272)	(54,272)				
Loans and borrowings@	20	–	–	–	–	(405,861)	(405,861)	–	(388,553)	–	(388,553)
Amounts due to related parties	14	–	–	–	–	(37,703)	(37,703)				
		–	–	–	–	(497,836)	(497,836)				

33 FINANCIAL INSTRUMENTS (cont'd)

		Carrying amounts						Fair value			
	Note	Fair value – hedging instruments $'000	FVTPL $'000	Amortised cost $'000	FVOCI $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group											
31 December 2019											
Financial instruments measured at fair value											
Debt investments – at FVOCI	8	–	–	–	59,485	–	59,485	59,485	–	–	59,485
Equity investments – at FVOCI	8	–	–	–	26,068	–	26,068	26,068	–	–	26,068
		–	–	–	85,553	–	85,553				
Financial assets not measured at fair value											
Trade and other receivables*	13	–	–	53,024	–	–	53,024				
Amount due from related parties	14	–	–	567	–	–	567				
Time deposits	15	–	–	8,264	–	–	8,264				
Cash and cash equivalents	15	–	–	113,089	–	–	113,089				
		–	–	174,944	–	–	174,944				
Financial liabilities measured at fair value											
Derivative financial liabilities	22	–	(356)	–	–	–	(356)	–	(356)	–	(356)
Financial liabilities not measured at fair value											
Trade and other payables**	19	–	–	–	–	(65,661)	(65,661)				
Loans and borrowings@	20	–	–	–	–	(509,253)	(509,253)	–	(492,679)	–	(492,679)
Amounts due to related parties	14	–	–	–	–	(38,336)	(38,336)				
		–	–	–	–	(613,250)	(613,250)				

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

		Carrying amounts						Fair value			
	Note	Fair value – hedging instruments $'000	FVTPL $'000	Amortised cost $'000	FVOCI $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company											
31 December 2020											
Financial assets measured at fair value											
Debt investments – at FVOCI	8	–	–	–	15,739	–	15,739	15,739	–	–	15,739
		–	–	–	15,739	–	15,739				
Financial assets not measured at fair value											
Trade and other receivables*	13	–	–	939	–	–	939				
Amounts due from related parties	14	–	–	558,807	–	–	558,807				
Cash and cash equivalents	15	–	–	997	–	–	997				
		–	–	560,743	–	–	560,743				
Financial liabilities measured at fair value											
Derivative financial liabilities	22	–	(1,260)	–	–	–	(1,260)	–	(1,260)	–	(1,260)
Financial liabilities not measured at fair value											
Trade and other payables**	19	–	–	–	–	(1,543)	(1,543)				
Loans and borrowings	20	–	–	–	–	(251,459)	(251,459)	–	(238,409)	–	(238,409)
Amounts due to related parties	14	–	–	–	–	(44,905)	(44,905)				
		–	–	–	–	(297,907)	(297,907)				

33 FINANCIAL INSTRUMENTS (cont'd)

	Note	Carrying amounts: Fair value – hedging instruments $'000	Carrying amounts: FVTPL $'000	Carrying amounts: Amortised cost $'000	Carrying amounts: FVOCI $'000	Carrying amounts: Other financial liabilities $'000	Carrying amounts: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
Company											
31 December 2019											
Financial assets measured at fair value											
Debt investments – at FVOCI	8	–	–	–	59,485	–	59,485	59,485	–	–	59,485
Equity investments – at FVOCI	8	–	–	–	26,068	–	26,068	26,068	–	–	26,068
		–	–	–	85,553	–	85,553				
Financial assets not measured at fair value											
Trade and other receivables*	13	–	–	1,966	–	–	1,966				
Amounts due from related parties	14	–	–	530,125	–	–	530,125				
Cash and cash equivalents	15	–	–	60,564	–	–	60,564				
		–	–	592,655	–	–	592,655				
Financial liabilities measured at fair value											
Derivative financial liabilities	22	–	(209)	–	–	–	(209)	–	(209)	–	(209)
Financial liabilities not measured at fair value											
Trade and other payables**	19	–	–	–	–	(3,183)	(3,183)				
Loans and borrowings	20	–	–	–	–	(332,419)	(332,419)	–	(318,343)	–	(318,343)
Amounts due to related parties	14	–	–	–	–	(23,730)	(23,730)				
		–	–	–	–	(359,332)	(359,332)				

* Excludes advances to suppliers and prepayments
** Excludes advance payments from customers and deferred income
@ Excludes lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

33 FINANCIAL INSTRUMENTS (cont'd)

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between unobservable input and fair value measurement
Group and Company			
Forward exchange contracts	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable.	Not applicable.

Financial instruments not measured at fair value

Type	Valuation techniques	Significant unobservable inputs
Group and Company		
Other financial liabilities *	*Discounted cash flow***	Not applicable

* Other financial liabilities include secured bank loans, medium term note, redeemable preference shares and finance lease liabilities.
** It is assumed that inputs considered observable used in the valuation technique are significant to the fair value measurement.

Transfer between Level 1 and 2

There were no transfer between Level 1 and 2 in 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

34 NON-CONTROLLING INTEREST

The following subsidiaries have material non-controlling interest ("NCI").

Name	Principal places of business/Country of incorporation	Operating segment	Ownership interests held by NCI 2020 %	2019 %
Eastworth Source Sdn Bhd ("Eastworth Source")	Malaysia	Hotel operation	**22.5**	22.5
Sutera Harbour Golf and Country Club Berhad ("Sutera Harbour Golf and Country Club")	Malaysia	Golf club operation	**22.5**	22.5
Advanced Prestige Sdn Bhd ("Advanced Prestige")	Malaysia	Hotel operation	**22.5**	22.5
Linyi Properties Sdn Bhd ('Linyi Properties")	Malaysia	Property development	**25.0**	25.0
Aspirasi Kukuh Sdn Bhd ("Aspirasi Kukuh")	Malaysia	Property development	**50.0**	50.0
GSH Properties (Chongqing) Co., Ltd ("Chongqing")	People's Republic of China ("PRC")	Property development	**49.0**	49.0

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

34 NON-CONTROLLING INTEREST (cont'd)

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with SFRS(I).

	Eastworth Source $'000	Sutera Harbour Golf and Country Club $'000	Advanced Prestige $'000	Linyi Properties $'000	Aspirasi Kukuh $'000	Chongqing $'000
31 December 2020						
Revenue	6,060	6,173	9,690	–	–	–
Profit/(Loss)	(3,212)	(515)	(3,295)	13	(1,221)	(634)
Total comprehensive income	(3,212)	(515)	(3,295)	13	(1,221)	(634)
Attributable to NCI:						
– Profit/(Loss)	(723)	(116)	(741)	3	(610)	(311)
– Total comprehensive income	(723)	(116)	(741)	3	(610)	(311)
Non-current assets	155,013	102,944	157,017	–	2,441	20,637
Current assets	4,293	3,411	3,869	21,373	127,250	69,678
Non-current liabilities	(23,545)	(16,015)	(28,425)	–	(472)	–
Current liabilities	(38,013)	(5,897)	(56,229)	(898)	(121,185)	(20,306)
Net assets	97,748	84,443	76,232	20,475	8,034	70,009
Net assets attributable to NCI	21,993	19,000	17,152	5,119	4,017	34,305
Cash flows from operating activities	4,047	137	1,105	(12)	(13,925)	(18,969)
Cash flows used in investing activities	(1,908)	(26)	2,439	–	113	(20,597)
Cash flows used in financing activities (dividends to NCI: NIL)	(1,776)	(62)	(3,313)	–	13,460	70,653
Net increase in cash and cash equivalents	363	49	231	(12)	(352)	31,087

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

34 NON-CONTROLLING INTEREST (cont'd)

	Eastworth Source $'000	Sutera Harbour Golf and Country Club $'000	Advanced Prestige $'000	Linyi Properties $'000	Aspirasi Kukuh $'000
31 December 2019					
Revenue	28,901	9,769	36,404	–	1,776
Profit/(Loss)	7,553	(752)	9,699	(12)	(1,089)
Total comprehensive income	7,553	(752)	9,699	(12)	(1,089)
Attributable to NCI:					
– Profit/(Loss)	1,700	(169)	2,182	(3)	(544)
– Total comprehensive income	1,700	(169)	2,182	(3)	(544)
Non-current assets	155,576	98,779	161,669	–	10,652
Current assets	6,408	2,971	7,440	21,459	1,529
Non-current liabilities	(26,017)	(14,625)	(29,912)	–	(2,069)
Current liabilities	(34,837)	(6,400)	(59,524)	(922)	(9,560)
Net assets	101,130	80,725	79,673	20,537	552
Net assets attributable to NCI	22,754	18,163	17,926	5,134	276
Cash flows from operating activities	12,977	539	9,600	23	(17,277)
Cash flows used in investing activities	(8,496)	(147)	(2,532)	–	(1,253)
Cash flows used in financing activities (dividends to NCI: NIL)	(3,833)	(153)	(7,626)	–	18,721
Net increase in cash and cash equivalents	648	239	(558)	23	191

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

35 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2020:

Applicable to 2021 financial statements

- Amendments to SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

The Group has assessed the estimated impact that initial application of these amendments to standards and interpretations does not have a material effect on the financial statements.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2021

SHARE CAPITAL

Number of Shares	:	1,977,036,050 (including Treasury Shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Share
Number of Treasury Shares	:	20,102,500
Percentage of Treasury Shares	:	1.02%
Number of subsidiary holdings held	:	NIL

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	101	3.94	4,428	0.00
100 – 1,000	323	12.61	120,488	0.01
1,001 – 10,000	939	36.67	5,118,408	0.26
10,001 – 1,000,000	1,159	45.26	84,441,747	4.31
1,000,001 AND ABOVE	39	1.52	1,867,248,479	95.42
TOTAL	**2,561**	**100.00**	**1,956,933,550**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	GOI SENG HUI	870,586,275	44.49
2	CITIBANK NOMINEES SINGAPORE PTE LTD	349,822,750	17.88
3	OCBC SECURITIES PRIVATE LIMITED	142,537,609	7.28
4	RAFFLES NOMINEES (PTE.) LIMITED	116,786,396	5.97
5	GOODVIEW PROPERTIES PTE LTD	98,705,000	5.04
6	SKYVEN GROWTH OPPORTUNITIES FUND PTE LTD	85,878,733	4.39
7	DB NOMINEES (SINGAPORE) PTE LTD	54,530,160	2.79
8	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	30,000,000	1.53
9	UOB KAY HIAN PRIVATE LIMITED	15,607,500	0.80
10	FLORENCE TAN GEK NOI MRS FLORENCE EE GEK NOI	15,000,000	0.77
11	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	13,186,350	0.67
12	DBS NOMINEES (PRIVATE) LIMITED	11,741,034	0.60
13	NS TRADING PTE LTD	5,416,500	0.28
14	CHANDRA DAS S/O RAJAGOPAL SITARAM	4,000,000	0.20
15	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	3,950,000	0.20
16	SINGAPORE NOMINEES PRIVATE LIMITED	3,800,000	0.19
17	TEO KEK TJOK @TEO KEK YENG	3,585,500	0.18
18	LEE CHENG HOA	3,312,500	0.17
19	LEE BON LEONG	3,000,000	0.15
20	LIM & TAN SECURITIES PTE LTD	2,943,100	0.15
	TOTAL	**1,834,389,407**	**93.73**

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2021

SUBSTANTIAL SHAREHOLDERS

LIST OF SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Goi Seng Hui[(1)]	870,586,275	44.49	300,000,000	15.33
Ee Guan Hui Gilbert[(2)]	629,478	0.03	157,913,600	8.06
Goodview Properties Pte Ltd[(3)]	100,000,000	5.10	–	–
Far East Organization Centre Pte Ltd	–	–	100,000,000[(a)]	5.10
Lippo Capital Limited[(4)]	–	–	99,021,467[(b)]	5.05
Lanius Limited[(5)]	–	–	99,021,467[(c)]	5.05
Ng Chee Siong	–	–	101,112,200[(d)]	5.16
Ng Chee Tat Philip	–	–	101,112,200[(e)]	5.16

Notes:

(1) Goi Seng Hui is treated as having interest in 300,000,000 shares held through Citibank Nominees Singapore Pte. Ltd. The percentage shown, to the nearest 2 decimal places, was based on Form 1 received from Goi Seng Hui as at 20 August 2020.

(2) Ee Guan Hui Gilbert is treated as having an interest in 90,913,600 shares held through OCBC Securities Private Ltd, 52,000,000 shares held through Raffles Nominees Pte Ltd and 15,000,000 shares held through Florence Ee Gek Noi (his spouse). The percentage shown, to the nearest 2 decimal places, was based on Form 1 received from Ee Guan Hui Gilbert as at 24 August 2018.

(3) The percentage shown, to the nearest 2 decimal places, was based on form 3 received from Goodview Properties Pte Ltd as at 13 August 2013.

(4) The percentage shown, to the nearest 2 decimal places, was based on form 3 received from Lippo Capital Limited as at 21 January 2015.

(5) The percentage shown, to the nearest 2 decimal places, was based on form 3 received from Lanius Limited as at 21 January 2015.

(a) Based on form 3 received on 13 August 2013, Far East Organization Centre Pte Ltd has a controlling interest in Goodview Properties Pte Ltd and is therefore treated to be having an interest in the 100,000,000 Shares held by Goodview Properties Pte Ltd in the Company.

(b) Based on form 3 received on 21 January 2015, Lippo Capital Limited is the holding company of an entity which has joint control of Lippo ASM Asia Property Limited, which is a holding company of OUE Limited. OUE Limited has a direct interest in 19,260,000 Shares. In addition, Lippo Capital Limited is the holding company of Golden Super Holdings Limited and Lippo Assets (International Limited). Golden Super Holdings Limited and Lippo Assets (International Limited) has a direct interest in 77,761,467 and 2,000,000 Shares respectively. Lippo Capital Limited is therefore treated to be having an interest in 99,021,467 Shares.

(c) Based on form 3 received on 21 January 2015, Lanius Limited holds the entire issued share capital of Lippo Capital Limited and is therefore treated to be having an interest in 99,021,467 Shares.

(d) Based on form 3 received on 1 June 2017, vesting of the assets of the Estate of Ng Teng Fong (the "Estate") in Ng Chee Siong ("RN") in his capacity as a beneficiary of the Estate, pending final distribution. Goodview Properties Pte Ltd has a direct interest in 101,112,200 Shares. The Estate has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd. RN is a beneficiary of the Estate and is therefore treated to be having an interest in the 101,112,200 Shares in which Goodview Properties Pte Ltd has an interest.

(e) Based on form 3 received on 1 June 2017, vesting of the assets of the Estate of Ng Teng Fong (the "Estate") in Ng Chee Tat Philip ("PN") in his capacity as a beneficiary of the Estate, pending final distribution. Goodview Properties Pte Ltd has a direct interest in 101,112,200 Shares. The Estate has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd.. PN is a beneficiary of the Estate and is therefore treated to be having an interest in the 101,112,200 Shares in which Goodview Properties Pte Ltd has an interest.

PUBLIC FLOAT

Based on the Register of Substantial Shareholders and the information made available to the Company as at 18 March 2021, approximately 21.88% of the issued ordinary capital shares of the Company are held by public. Rule 723 of the SGX Listing Manual has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or "**Meeting**") of GSH Corporation Limited ("the Company") will be held by way of electronic means (via Live Webcast and Live Audio Stream) on 26 April 2021* at 10.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2020 together with the Auditors' Report thereon.
(Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Article 91 of the Constitution of the Company:

Mr Goi Seng Hui [See Explanatory Note (i)] **(Resolution 2)**
Ms Huang Lui [See Explanatory Note (i)] **(Resolution 3)**
Mr Michael Grenville Gray [See Explanatory Note (i)] **(Resolution 4)**

3. That contingent upon the passing of Ordinary Resolution 4 above, pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST ("**Listing Manual**"), shareholders to approve Mr Michael Grenville Gray ("**Mr Gray**")'s continued appointment as an Independent Director, this Resolution to remain in force until the earlier of Mr Gray's retirement or resignation; or the conclusion of the third AGM following the passing of this Resolution.
[See Explanatory Note (ii)]
(Resolution 5)

4. That contingent upon the passing of Ordinary Resolution 5 above, pursuant to Rule 210(5)(d)(iii) of the Listing Manual, shareholders (excluding the Directors and Chief Executive Officer of the Company, and associates of such Directors and Chief Executive Officer) to approve Mr Gray's continued appointment as an Independent Director, this Resolution to remain in force until the earlier of Mr Gray's retirement or resignation; or the conclusion of the third AGM following the passing of this Resolution.
[See Explanatory Note (ii)]
(Resolution 6)

5. To approve the payment of Directors' fees amounting to S$334,050 for the financial year ending 31 December 2021, to be paid quarterly in arrears. (2020: S$380,000)
(Resolution 7)

* Pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, companies are allowed to hold meetings using electronic communication, video conferencing, tele-conferencing, or other electronic means in order to comply with the safe distancing measures imposed under the Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020. Accordingly, the Company wishes to inform all shareholders that the Meeting is being convened, and will be held, by electronic means only and shareholders will not be able to attend the Meeting in person. Shareholders may watch the Meeting proceedings through a live webcast via their mobile phones, tablets or computers. To do so, shareholders need to email their particulars (Full Name and Full NRIC or Passport Number) to agm2021@gshcorporation.com to enable the Company to verify their status. Following the verification, authenticated shareholders will receive an email containing a unique link, which they can click on to access the webcast and a toll-free telephone number to access the live audio-only stream of the Meeting proceedings. Details of the steps for registration are set out in the Notes. Shareholders are advised to regularly check the Company's website and SGXNet for updates.

NOTICE OF ANNUAL GENERAL MEETING

6. To re-appoint KPMG LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 8)

7. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to issue shares

That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(b) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF ANNUAL GENERAL MEETING

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iii)]

(Resolution 9)

9. Share Buy-Back Mandate

THAT:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "Companies Act") and such other laws and regulations as may for the time being be applicable, the exercise by the directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire issued and paid-up ordinary shares in the share capital of the Company ("Shares") (excluding treasury shares) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases transacted through the trading system of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Market Purchase"); and/or

(ii) off-market purchases otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual ("Off-Market Purchase"),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual, be and is hereby authorized and approved generally and unconditionally (the "Share Buy-back Mandate");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-back Mandate shall, at the discretion of the Directors, either be cancelled or, held as treasury shares and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors to purchase Shares pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date of the next annual general meeting of the Company ("AGM") or the date by which the next AGM is required by law to be held, whichever is earlier;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by Shareholders in general meeting;

NOTICE OF ANNUAL GENERAL MEETING

In this Resolution 10:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) Market Days ("Market Day" being a day on which the SGX-ST is open for trading in securities) on which transactions in the Shares were recorded, before the day on which the purchases are made, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and is deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the Off-Market Purchase from the holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares as determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

"Prescribed Limit" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

(d) the Directors and each of them be and is hereby authorized to do any and all such acts (including to execute all such documents as may be required, approve any amendments, alterations or modifications to any documents, and sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or they may, in their absolute discretion deem necessary, desirable or expedient to give effect to this Ordinary Resolution and the taking of any and all actions whatoever, by any Director on behalf of the Company in connection with the proposed Share Buy-back Mandate prior to the date of the AGM be and are hereby approved, ratified and confirmed.
[See Explanatory Note (iv)]

(Resolution 10)

By Order of the Board

Lee Tiong Hock
Company Secretary
Singapore, 9 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) **Ordinary Resolutions 2, 3 and 4** are to re-elect Mr Goi Seng Hui, Ms Huang Lui and Mr Michael Grenville Gray who will be retiring by rotation under Article 91 of the Constitution of the Company.

Mr Goi Seng Hui will, upon re-election as a Director of the Company, remain as an Executive Chairman of the Company.

Ms Huang Lui will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and will be considered independent.

Mr Michael Grenville Gray will, upon re-election as a Director of the Company, remain as Chairman of the Audit and Risk Committee and as a member of the Remuneration Committee and will be considered independent.

Detailed information on these directors (including information as set out in Appendix 7.4.1 of the Listing Manual) can be found under "Board of Directors" in the Company's Annual Report 2020 and "Supplemental Information on Directors Seeking Re-election", as enclosed.

(ii) The **Ordinary Resolutions 5 and 6** – On 6 August 2018, the SGX-ST amended the Listing Manual following the publication of the Code of Corporate Governance 2018 by the Monetary Authority of Singapore. As part of the amendments to the Code of Corporate Governance 2018, certain guidelines from the Code of Corporate Governance 2012 were shifted into the Listing Manual for mandatory compliance. On 28 November 2018, the SGX-ST issued the Transitional Practice Note 3 to establish transitional arrangement for certain guidelines shifted into the Listing Manual.

Pursuant thereto and in respect of Rule 210(5)(d)(iii) of the Listing Manual, to ensure that the independence designation of a director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company is seeking to obtain shareholders' approvals for Mr Gray's continued appointment as an independent director prior to 1 January 2022, as he has served for more than 9 years on the Board of the Company.

Rule 210(5)(d)(iii) provides that continued appointment as independent director, after an aggregate period of more than 9 years on the board, must be sought and approved in separate resolutions by (a) all shareholders and (b) shareholders excluding directors, chief executive officer, and their associates.

(iii) The **Ordinary Resolution 9** in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(iv) The **Ordinary Resolution 10** in item 9 above, if passed, will empower the Directors from the date on which the ordinary resolution in relation to the proposed renewal of the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the date on which the next AGM is held or is required by law to be held, the date the said mandate is revoked or varied by the Company in a general meeting, and the date on which the purchases of shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated, to repurchase ordinary shares of the Company by way of Market Purchases or Off-Market Purchases not exceeding in aggregate the Prescribed Limit (as defined above), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined above).

Please refer to the Appendix to this Notice of AGM for further information on the proposed Share Buy-back Mandate, including the rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020,

(a) A quorum may be formed by 2 members of the company (or one member if permitted by the legal instrument of the company) personally or electronically present. A member is electronically present at a Meeting if the member –

(i) attends the Meeting electronically;
(ii) is verified by the Company's Share Registrar as attending the Meeting electronically; and
(iii) is acknowledged by electronic means by the Chairman of the Meeting as present at the Meeting.

(b) Members may watch the Meeting proceedings through a live webcast via their mobile phones, tablets or computers. To do so, shareholders need to email their particulars (Full Name and Full NRIC or Passport Number) to agm2021@gshcorporation.com on or before 22 April 2021, to enable the Company to verify their status. Following the verification, authenticated shareholders will receive an email on 25 April 2021 containing a unique link, which they can click on to access the webcast and a toll-free telephone number to access the live audio-only stream of the Meeting proceedings. Members who do not receive an email by 25 April 2021 but have registered by 22 April 2021 deadline should email to the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at srs.teamb@boardroomlimited.com.

(c) Members who wish to vote at the Meeting must submit a proxy form to appoint the Chairman of the Meeting to cast votes on their behalf. Members must submit the proxy form by mail to 20 Cecil Street, #28-01 PLUS Singapore 049705 or by electronic mail to agm2021@gshcorporation.com, not less than seventy-two (72) hours before the time appointed for holding the Meeting.

(d) Proxy forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy.

(e) CPF and SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes as soon as possible but not less than 7 business days before the AGM. Investors who have deposited their shares into a nominee account should also approach their depository agent and relevant intermediaries as soon as possible but not less than 7 business days before the AGM if they wish to vote.

(f) Members may also submit questions related to the Meeting by electronic mail to agm2021gshcorporation.com or by post to 20 Cecil Street, #28-01 PLUS Singapore 049705, by no later than 5 p.m. on 19 April 2021. The Company will read out and address all substantial and relevant questions at the Meeting, and all responses to such substantial and relevant questions received will be published on SGXNet and the Company's website after the Meeting.

(g) Members will not be able to ask questions at the Meeting during the live webcast due to administrative limitations, and therefore it is important for members to pre-register and submit their questions in advance of the Meeting.

(h) Non CPF/SRS holders whose shares are registered under Depository Agents ("DAs") must approach their respective DAs to indicate their interest to watch the live webcast.

(i) Printed copies of 2020 Annual Report, this Notice of AGM, Supplemental Information on Directors Seeking Re-election and the Appendix to the Notice of AGM will NOT be sent to members of the Company. Instead, these documents will be sent to members of the Company by electronic means via publication on SGXNet and the Company's corporate website at http://www.gshcorporation.com/ir_shareholder_meetings.html.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, or a preregistration to watch the Meeting proceedings, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Shareholders should not record the proceedings of the meeting with their mobile phones or via any other electronic means and upload on social media. The proceedings in the meeting are for shareholders, and preservation of confidentiality and privacy of the discussions and persons (Board of Directors including Chairman and other shareholders) in the meeting should be observed.

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	**Mr Goi Seng Hui**	**Mr Michael Grenville Gray**	**Ms Huang Lui**
Date of Appointment	23 July 2012	17 October 2007	23 August 2012
Date of last re-appointment (if applicable)	20 April 2018	29 April 2019	29 April 2019
Age	74	75	77
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board had considered, among others, the recommendation of the Nominating Committee and has reviewed the commitment contribution, performance, attendance, preparedness, participation and suitability of Mr Goi Seng Hui, for re-election as Director of the Company and concluded that Mr Goi Seng Hui, possessses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board, including his continued services as Executive Chairman.	The Board had considered, among others, the recommendation of the Nominating Committee and has reviewed the commitment contribution, performance, attendance, preparedness, participation and suitability of Mr Michael Grenville Gray, for re-election as Director of the Company and concluded that Mr Michael Grenville Gray, possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board, especially in the areas of financial accounting and analysis.	The Board had considered, among others, the recommendation of the Nominating Committee and has reviewed the commitment contribution, performance, attendance, preparedness, participation and suitability of Ms Huang Lui, for re-election as Director of the Company and concluded that Ms Huang Lui, possessses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board, especially in areas of corporate legal and governance matters.

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	**Mr Goi Seng Hui**	**Mr Michael Grenville Gray**	**Ms Huang Lui**
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Goi Seng Hui is the Executive Chairman of GSH Corporation Limited and its subsidiaries (collectively known as the "Group"). His areas of responsibilities include, but not limit to, providing leadership and strategic direction to the Board and ensures the effectiveness of communication with all stakeholders.	Non-Executive	Non-Executive
Job Title (e.g. LID, AC Chairman, AC Member etc.)	Executive Chairman	• Non-Executive Independent Director • Chairman of the Audit & Risk Committee • Member of the Remuneration Committee	• Non-Executive Independent Director • Chairman of the Nominating Committee

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	**Mr Goi Seng Hui**	**Mr Michael Grenville Gray**	**Ms Huang Lui**
Professional qualifications	–	• Bachelor of Science in Maritime Studies, Plymouth University UK • Master of Arts in South East Asian Studies, University of Singapore • Doctor of Business (Honoris Causa) from the University of Newcastle • Fellow of Institute of Chartered Accountants in England & Wales • Fellow of Institute of Singapore Chartered Accountants • Fellow of Singapore Institute of Directors • Fellow of Chartered Institute of Transport & Logistics	• Bachelors of Law, University of Singapore • Master of Law, University of Singapore
Working experience and occupation(s) during the past 10 years	• Executive Chairman of Tee Yih Jia Food Manufacturing Pte Ltd since 1977 • Managing Director of Sing Siah Electrical Engineering Pte Ltd since 1969 • Investments across a range of listed and private entities in numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics.	• Coopers & Lybrand/ PricewaterhouseCoopers Singapore (1978 to 2004). Partner from 1981 and Managing Partner IndoChina (1994 to 2001)	• Wee Swee Teow & Co. Advocates and Solicitors (1971 till present)

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	**Mr Goi Seng Hui**	**Mr Michael Grenville Gray**	**Ms Huang Lui**
Shareholding interest in the listed issuer and its subsidiaries	1,170,586,275 shares in GSH Corporation Limited	NIL	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	• Substantial Shareholder of GSH Corporation Limited • Father of Goi Kok Ming (Wei Guoming) (also Chief Operating Officer and Executive Director of GSH Corporation Limited.	No	No
Conflict of interest (including any competing business)	NIL	NIL	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships			
Past (for the last 5 years)	• Plaza Ventures Pte Ltd • Super Group Ltd • Tan Kah Kee Foundation • TYJ Holdings (HK) Ltd • JSL Foods, Inc. • Main On Foods (USA) Corp. • Ragri Pte Ltd • Sun Resources Holdings Pte Ltd • Tianjin Junhe Industrial Corporation Ltd • Tianjin Junhe Investment Co., Ltd • Yangzhou Junhe Property Development Co Ltd	• Ascendas Property Fund Trustee Pte Ltd • Asian Cruising Pte Ltd • Raffles Marina Holdings Ltd • The Masonic Hall Board Ltd • Vietnam Hospitality Ltd • VinaCapital Vietnam Opportunity Fund Limited • TGY Property Investments Pte Ltd • Tras Street Property Investment Ltd	• Dataquest Pte Ltd • Super Plates Pte Ltd

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
	• Henan Zhongyuan Four Seasons Aquatic Logistics Harbour Co Ltd • Fujian Ryushobo Food Co Ltd • Singapore University of Technology and Design • Super Elite Holdings Pte Ltd		
Present	**Listed Companies** • GSH Corporation Limited • Hanwell Holdings Limited • Envictus International Holdings Limited (Etika) • JB Foods Ltd • Tung Lok Restaurants (2000) Ltd **Group Companies of GSH Corporation Limited** • Advanced Prestige Sdn Bhd • Altheim International Limited • City View Ventures Sdn Bhd • Eastworth Source Sdn Bhd • Investasia Sdn.Bhd. • Linyi Properties Sdn Bhd • Mainfield Holdings Limited • Mewabumi Sdn Bhd • MXIM Holdings Pte Ltd • Rainbow Properties Sdn Bhd • Sutera Harbour Golf & Country Club Berhad	**Listed Company** • GSH Corporation Limited • Avi-Tech Electronic Limited • FSL Trust Management Pte Ltd **Non-listed companies** • UON Singapore Pte Ltd **Major Appointments (other than Directorships)** • PAVE (President)	**Listed Companies** • GSH Corporation Limited **Major Appointments (other than Directorships)** • Partner, Wee Swee Teow LLP Advocates & Solicitors

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
Present	• Sutera Harbour Travel Sdn Bhd • Sutera Harbour Resort Sdn Bhd • Sutera Yacht Services Sdn Bhd • The Little Shop Sdn Bhd • The Sutera Harbour Group Sdn Bhd • Xing Asia Impel Sdn. Bhd. **Non-listed companies** • Acelink Logistics Pte Ltd • China World Agents Limited • Chinatown Food Corporation Pte Ltd • Desaru Property Development Sdn Bhd • Fujian Guanhui Food Enterprise Co Ltd • Fujian Mingwei Food Enterprise Co Ltd • Guan Hui Food Enterprise Company Limited • Hydrex International Pte Ltd • Junhe Investment Pte Ltd • Maker Good Manufacturing Pte Ltd • New Straits Holdings Pte Ltd • Oregold Pte Ltd • Ritz Properties Sdn Bhd • Ryushobo (S) Pte Ltd • T&T Gourmet Cuisine Pte Ltd		

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
	• Tee Yih Jia Food Manufacturing Pte Ltd • Tee Yih Jia Food Manufacturing Sdn Bhd • Twin Investment Pte Ltd • TYJ Group Pte Ltd • TYJ International Pte Ltd • Vive La Sdn Bhd **Major Appointments (other than Directorships)** • Non-Executive Chairman of Hanwell Holdings Limited • Vice Chairman of Envictus International Holdings Limited • Vice-Chairman of JB Foods Limited • Singapore's Non-Resident Ambassador to the Federative Republic of Brazil • Justice of the Peace – Republic of Singapore • Enterprise 50 Club's Honorary Past President and Vice Chairman of IE Singapore's "Network China" Steering Committee • Regional Representative for Fuzhou City and Fujian Province • Senior Consultant to Su-Tong Science & Technology Park • Honorary Chairman for the International Federation of Fuqing Association		

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
	• Honorary Chairman of Ulu Pandan Citizens Consultative Committee • Honorary Chairman of Dunman High School Advisory Committee • Patron for Advancement – Singapore University for Technology and Design		
Information required Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1]

Name of Director	Mr Goi Seng Hui	Mr Michael Grenville Gray	Ms Huang Lui
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

* "Principal Commitments" has the same meaning as defined in the Code.

GSH CORPORATION LIMITED

[Company Registration No. 200106139K]
(Incorporated In The Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF/SRS investors are requested to contact their respective Agent Banks for any queries they may have with regard to the appointment of the Chairman of the Meeting as the proxy.
3. Please read the AGM notes overleaf which contain instructions on, inter alia, the appointment of Chairman of the Meeting as a Member's proxy to attend, speak and note on his/her/its behalf at the AGM.

I/We, ________________________ (Name) ____________________ (NRIC No./Passport No./Company Registration No.) of ____ (Address)
being a member/members of GSH Corporation Limited (the "**Company**"), hereby appoint:

the Chairman of the Annual General Meeting ("**AGM**" or "**Meeting**") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held by electronic means on 26 April 2021 at 10.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	For*	Against*	Abstain*
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2020			
2	Re-election of Mr Goi Seng Hui as a Director			
3	Re-election of Ms Huang Lui as a Director			
4	Re-election of Mr Michael Grenville Gray as a Director			
5	Approval of Mr Michael Grenville Gray's continued appointment as an Independent Director by shareholders			
6	Approval of Mr Michael Grenville Gray's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates)			
7	Approval of Directors' fees amounting to S$334,050 for the financial year ending 31 December 2021, to be paid quarterly in arrears			
8	Re-appointment of KPMG LLP as Auditor			
9	Authority to issue shares			
10	Renewal of the Share Buy-Back Mandate			

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" the relevant resolution, please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this ______ day of ______________ 2021

Total number of Shares:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. **Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the AGM in person**. Pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Order 2020"), a member of the Company entitled to attend and vote at the Meeting is required to appoint the Chairman of the Meeting as the member's proxy to vote in his/her stead. A proxy need not be a member of the Company. Proxy forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy. The Chairman of the Meeting, as proxy, need not be a Member of the Company. A printed copy of the proxy form will **NOT** be despatched to members. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

3. CPF and SRS Investors who would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy.

4. The instrument appointing a proxy must be sent by mail to 20 Cecil Street, #28-01 PLUS Singapore 049705 or by electronic mail to agm2021@gshcorporation.com not less than seventy-two (72) hours before the time appointed for the Meeting.

5. The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. Pursuant to the COVID-19 Order 2020, companies are allowed to hold meetings using electronic communication, video-conferencing, tele-conferencing, or other electronic means in order to comply with the safe distancing measures imposed under the Infectious Diseases (Measures to Prevent Spread of Covid-19) Regulations 2020. Accordingly, the Company wishes to inform all shareholders that the Meeting is being convened, and will be held, by electronic means only and shareholders may watch the Meeting proceedings through a live webcast via their mobile phones, tablets or computers. To do so, shareholders need to email their particulars (Full Name and Full NRIC or Passport Number) to agm2021@gshcorporation.com on or before 22 April 2021, to enable the Company to verify their status. Following the verification, authenticated shareholders will receive an email on 25 April 2021 containing a unique link, which they can click on to access the webcast and a toll-free telephone number to access the live audio-only stream of the Meeting proceedings. Shareholders who do not receive an email by 25 April 2021 but have registered by the 22 April 2021 deadline should email to Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at srs.teamb@boardroomlimited.com.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2021.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

GSH
GSH CORPORATION LIMITED
20 Cecil Street, #28-01 PLUS
Singapore 049705
Tel : (65) 6585 8888
Fax : (65) 6881 1000
www.gshcorporation.com