

**GSH CORPORATION LIMITED****Full Year Financial Statements for the Period Ended 31/12/2016****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the 4th Quarter and 12 Months Ended 31 December

	4th Quarter Ended 31 December			12 months Ended 31 December		
	31.12.2016	31.12.2015	+/-	31.12.2016	31.12.2015	+/-
	Unaudited	Unaudited		Unaudited	Unaudited	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	17,655	58,471	(69.8%)	87,159	161,952	(46.2%)
Cost of sales	(8,642)	(38,073)	(77.3%)	(44,070)	(99,006)	(55.5%)
Gross profit	9,013	20,398	(55.8%)	43,089	62,946	(31.5%)
Gross profit margin	51%	35%	45.7%	49%	39%	25.6%
Other income	449	2,535	(82.3%)	2,095	7,674	(72.7%)
Distribution and selling expense	(729)	(683)	6.7%	(3,568)	(3,209)	11.2%
Administrative expenses	(6,505)	(3,134)	Nm	(21,836)	(19,941)	9.5%
Other expenses	(2,067)	92	Nm	(2,117)	(424)	Nm
Operating profit	161	19,208	(99.2%)	17,663	47,046	(62.5%)
Amortisation and depreciation	(2,691)	(2,621)	2.7%	(8,907)	(10,921)	(18.4%)
Exchange gain	16,520	17,281	(4.4%)	2,982	19,859	(85.0%)
Finance expenses	(4,238)	(3,915)	8.3%	(17,523)	(16,205)	8.1%
Finance income	1,409	1,146	23.0%	5,648	4,506	25.3%
Net change in fair value of financial derivatives	(15,211)	(19,050)	(20.2%)	453	(12,356)	Nm
(Loss)/Profit before tax	(4,050)	12,049	Nm	316	31,929	(99.0%)
Taxation	328	(479)	Nm	(3,913)	(4,477)	(12.6%)
(Loss)/Profit for the period	(3,722)	11,570	Nm	(3,597)	27,452	Nm
Attributable to:						
Owners of the Company	(3,334)	6,649	Nm	(3,638)	16,365	Nm
Non-controlling interests	(388)	4,921	Nm	41	11,087	(99.6%)
	(3,722)	11,570	Nm	(3,597)	27,452	Nm

	4th Quarter Ended 31 December			12 months Ended 31 December		
	31.12.2016	31.12.2015	+/-	31.12.2016	31.12.2015	+/-
	Unaudited	Unaudited		Unaudited	Unaudited	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(Loss)/Profit for the period	(3,722)	11,570	Nm	(3,597)	27,452	Nm
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	(4,905)	5,519	Nm	(3,944)	(34,348)	(88.5%)
Exchange differences on monetary items forming part of net investments in a foreign operation	(1,054)	971	Nm	(1,319)	(1,942)	(32.1%)
Total comprehensive income for the period	(9,681)	18,060	Nm	(8,860)	(8,838)	0.2%
Attributable to:						
Owners of the Company	(8,061)	11,789	Nm	(7,942)	(11,748)	(32.4%)
Non-controlling interests	(1,620)	6,271	Nm	(918)	2,910	Nm
	(9,681)	18,060	Nm	(8,860)	(8,838)	Nm

Nm - Not meaningful

Notes to Group profit and loss account

1 a(i) Pre-tax (loss)/profit of the Group is arrived at after charging/(crediting) the following:

	4th Quarter Ended 31 December			12 Months Ended 31 December		
	31.12.2016 Unaudited S\$'000	31.12.2015 Unaudited S\$'000	+/- %	31.12.2016 Unaudited S\$'000	31.12.2015 Unaudited S\$'000	+/- %
Personnel expenses	5,787	2,999	93.0%	20,491	16,820	21.8%
Operating lease expenses	186	311	(40.2%)	994	1,793	(44.6%)
Non-executive directors' fees	81	67	20.9%	325	321	1.2%
Executive directors' remuneration	336	358	(6.1%)	1,108	1,924	(42.4%)
Depreciation of property, plant & equipment	2,691	2,621	2.7%	8,907	10,921	(18.4%)
Foreign exchange gain	(16,520)	(17,281)	(4.4%)	(2,982)	(19,859)	(85.0%)
Change in fair value of investment property	2,037	(2,292)	Nm	2,037	(2,292)	Nm
Rental income	(321)	(26)	Nm	(1,371)	(4,632)	(70.4%)
Write back of allowance for inventory obsolescence	(3)	(6)	(50.0%)	(28)	(27)	3.7%
Provision/(Reversal) of impairment loss on trade receivables	8	(1)	Nm	(21)	(44)	(52.3%)

Nm - Not meaningful

1(b)(i) A balance sheet (for the company and group), together with a comparative statement as at the end of the immediately preceding financial year.

CONSOLIDATED FINANCIAL POSITION as at 31 December

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Property, plant and equipment	397,415	387,064	21,689	782
Investment property	6,158	8,089	-	-
Investment in subsidiaries	-	-	260	193
Non-current assets	403,573	395,153	21,949	975
Development property	783,370	757,700	-	-
Inventories	737	1,055	-	-
Trade receivables	5,124	23,536	1,283	-
Other receivables, deposits and prepayments	5,993	6,000	3,284	2,317
Amounts due from subsidiaries (non-trade)	-	-	356,152	292,300
Fixed deposits	303,883	343,937	284,704	323,326
Cash and bank balances	13,232	22,786	2,982	2,854
Current assets	1,112,339	1,155,014	648,405	620,797
Total assets	1,515,912	1,550,167	670,354	621,772
EQUITY				
Share capital	343,458	343,458	343,458	343,458
Treasury shares	(5,131)	-	(5,131)	-
Reserves	7,356	16,286	(26,258)	(25,678)
Equity attributable to equity holders of the Company	345,683	359,744	312,069	317,780
Non-controlling interests	92,451	93,369	-	-
Total Equity	438,134	453,113	312,069	317,780
LIABILITIES				
Other payables and accruals	2,176	871	-	-
Loans and borrowings	235,091	586,994	72,559	-
Redeemable preference shares	419	425	-	-
Deferred tax liabilities	62,939	62,630	-	-
Non current Liabilities	300,625	650,920	72,559	-
Trade payables	8,057	7,613	-	-
Other payables and accruals	41,063	41,545	15,173	20,830
Loans and borrowings	650,511	312,237	244,268	256,900
Amounts due to subsidiaries (non-trade)	-	-	13,948	13,472
Amounts due to related parties	64,448	71,867	-	-
Provision for taxation	737	82	-	-
Derivatives financial liabilities	12,337	12,790	12,337	12,790
Current Liabilities	777,153	446,134	285,726	303,992
Total liabilities	1,077,778	1,097,054	358,285	303,992
Total equity and liabilities	1,515,912	1,550,167	670,354	621,772

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 December 2016			As at 31 December 2015		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
650,511	-	650,511	312,237	-	312,237

Amount repayable after one year

As at 31 December 2016			As at 31 December 2015		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
175,512	59,998	235,510	586,994	425	587,419

Total borrowings*

As at 31 December 2016			As at 31 December 2015		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
826,023	59,998	886,021	899,231	425	899,656
- Attributable to owners of the Company		664,424	- Attributable to owners of the Company		648,568
- Attributable to non-controlling interests		221,597	- Attributable to non-controlling interests		251,088

Less: Cash and cash equivalents

As at 31 December 2016			As at 31 December 2015		
S\$'000			S\$'000		
317,115			366,723		
		S\$'000			S\$'000
- Attributable to owners of the Company		307,158	- Attributable to owners of the Company		351,246
- Attributable to non-controlling interests		9,957	- Attributable to non-controlling interests		15,477

Net borrowings

As at 31 December 2016			As at 31 December 2015		
S\$'000			S\$'000		
568,906			532,933		
		S\$'000			S\$'000
- Attributable to owners of the Company		357,266	- Attributable to owners of the Company		297,322
- Attributable to non-controlling interests		211,640	- Attributable to non-controlling interests		235,611

Details of any collateral

As at 31 December 2016, the Group's borrowings were secured by legal charges on certain of the Group's development land and hotel properties, pledge of fixed deposits and bank balances of S\$271,796,000 (FY2015: S\$286,943,000), office equipment and operating equipment with total carrying amount of S\$1,256,000 (FY2015: S\$973,000).

*Including redeemable preference shares

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	12 Months Ended 31 December	
	2016	2015
	Unaudited	Audited
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/Profit for the period	(3,597)	27,452
Adjustment for:		
Depreciation of property, plant & equipment	8,907	10,921
Interest expense	17,523	16,205
Interest income	(5,648)	(4,506)
Write back of allowance for inventory obsolescence	(28)	(27)
Gain on disposal of property, plant & equipment	(9)	(84)
Reversal of impairment loss on trade receivables	(21)	(44)
Unrealised foreign exchange gain arising from revaluation of fixed deposit pledged	(1,619)	(11,380)
Change in fair value of investment property	2,037	(2,292)
Net change in fair value of financial derivatives	(453)	12,356
Tax expense	3,913	4,477
Operating profit before working capital changes	21,005	53,078
Change in		
Development property	(37,353)	(1,106)
Inventories	346	23
Trade and other receivables	19,111	(20,249)
Trade and other payables	10,099	8,420
Cash from operations	13,208	40,166
Tax paid, net	(1,863)	(1,424)
Net cash from operating activities	11,345	38,742
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,513)	(4,781)
Receipt of remaining consideration on the disposal of trading and distribution business	-	9,104
Payment of remaining consideration on acquisition of subsidiaries	(17,353)	(18,768)
Decrease/(Increase) in deposit pledged	16,766	(7,418)
Interest received	4,977	3,580
Proceeds from disposal of property, plant and equipment	6	95
Net cash used in investing activities	883	(18,188)

	GROUP	
	12 Months Ended 31 December	
	2016	2015
	Unaudited	Audited
	S\$'000	S\$'000
Cash flows from financing activities		
Capital contribution by non-controlling interest	-	75
Finance expense paid (including amounts capitalised in development property)	(30,616)	(27,621)
Proceeds of finance lease obligations	493	-
Payment of finance lease obligations	(328)	(283)
Proceeds from borrowings	105,535	56,154
Repayment of borrowings	(115,492)	(80,970)
Purchase of treasury shares	(5,131)	-
Dividend paid	(988)	(4,943)
Net cash used in financing activities	(46,527)	(57,588)
Net decrease in cash and cash equivalents	(34,299)	(37,034)
Effect of exchange rate changes on balances held in foreign currencies	(162)	(928)
Cash and cash equivalents at beginning of the period	79,780	117,742
Cash and cash equivalents at end of the period (Note A)	45,319	79,780

	GROUP	
	12 Months Ended 31 December	
	2016	2015
	Unaudited	Audited
	S\$'000	S\$'000
Note A: Cash and cash equivalents comprise:		
Fixed deposits	303,883	343,937
Cash on hand and at bank	13,232	22,786
	317,115	366,723
Less: fixed deposits pledged	(271,796)	(286,943)
Cash and cash equivalents	45,319	79,780

1(d)(i) A statement (for the company and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in Equity as at 31 December 2016

Group	Attributable to owners of Company						Non-controlling interest	Total Equity
	Share capital	Treasury Shares	Asset revaluation reserves	Translation reserves	Accumulated profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2016	343,458	-	4,132	(36,707)	48,861	359,744	93,369	453,113
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(3,638)	(3,638)	41	(3,597)
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	(2,985)	-	(2,985)	(959)	(3,944)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(1,319)	-	(1,319)	-	(1,319)
Total other comprehensive income, net of tax	-	-	-	(4,304)	-	(4,304)	(959)	(5,263)
Total comprehensive income for the year	-	-	-	(4,304)	(3,638)	(7,942)	(918)	(8,860)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Purchase of treasury shares	-	(5,131)	-	-	-	(5,131)	-	(5,131)
Dividends declared and paid	-	-	-	-	(988)	(988)	-	(988)
Total transactions with owners	-	(5,131)	-	-	(988)	(6,119)	-	(6,119)
As at 31 December 2016	343,458	(5,131)	4,132	(41,011)	44,235	345,683	92,451	438,134

Statement of changes in Equity as at 31 December 2015

Group	Attributable to owners of Company				Non-controlling interest S\$'000	Total Equity S\$'000
	Share capital S\$'000	Asset revaluation reserves S\$'000	Translation reserves S\$'000	Accumulated profits S\$'000	Total S\$'000	
At 1 January 2015	343,458	4,132	(8,594)	37,439	376,435	90,384
Total comprehensive income for the year						
Profit for the year	-	-	-	16,365	16,365	11,087
Other comprehensive income						
Foreign currency translation differences relating to foreign operations	-	-	(26,171)	-	(26,171)	(8,177)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(1,942)	-	(1,942)	-
Total other comprehensive income, net of tax	-	-	(28,113)	-	(28,113)	(8,177)
Total comprehensive income for the year	-	-	(28,113)	16,365	(11,748)	2,910
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Capital contribution by non-controlling interests	-	-	-	-	-	75
Dividends declared	-	-	-	(4,943)	(4,943)	-
Total transactions with owners	-	-	-	(4,943)	(4,943)	75
As at 31 December 2015	343,458	4,132	(36,707)	48,861	359,744	93,369

453,113

Statement of changes in Equity as at 31 December 2016**Company**

	Share capital S\$'000	Treasury Share S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 January 2016	343,458	-	(25,678)	317,780
Total comprehensive income for the year				
Profit for the year	-	-	408	408
Total comprehensive income for the year	-	-	408	408
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Purchase of treasury shares	-	(5,131)	-	(5,131)
Dividends declared and paid	-	-	(988)	(988)
Total transactions with owners	-	(5,131)	(988)	(6,119)
As at 31 December 2016	343,458	(5,131)	(26,258)	312,069
As at 1 January 2015	343,458	-	(21,894)	321,564
Total comprehensive income for the year				
Profit for the year	-	-	1,159	1,159
Total comprehensive income for the year	-	-	1,159	1,159
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends declared and paid	-	-	(4,943)	(4,943)
Total transactions with owners	-	-	(4,943)	(4,943)
As at 31 December 2015	343,458	-	(25,678)	317,780

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Details changes in the company's share capital arising from share buy-backs are as follows:

	Number of shares issued and fully paid	Share capital S\$'000	Number of treasury shares	Treasury shares S\$'000
<u>After shares consolidation</u>				
As at 1 January 2016	1,977,036,050	343,458	-	-
Purchase of treasury shares	-	-	(6,072,700)	(1,536)
As at 30 June 2016	1,977,036,050	343,458	(6,072,700)	(1,536)
Purchase of treasury shares	-	-	(10,997,000)	(3,284)
As at 30 September 2016	1,977,036,050	343,458	(17,069,700)	(4,820)
Purchase of treasury shares	-	-	(1,033,000)	(311)
As at 31 December 2016	1,977,036,050	343,458	(18,102,700)	(5,131)

	Number of shares issued and fully paid	Share capital S\$'000	Number of treasury shares	Treasury shares S\$'000
<u>Before shares consolidation</u>				
As at 1 April 2015/30 June 2015	9,885,180,250	343,458	-	-
<u>After shares consolidation</u>				
As at 30 September 2015/31 December 2015	1,977,036,050	343,458	-	-

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

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.12.2016
Total number of issued shares	1,977,036,050
Total number of treasury shares	(18,102,700)
Total number of issued shares (excluding treasury shares)	<u>1,958,933,350</u>
	31.12.2015
Total number of issued shares	1,977,036,050
Total number of treasury shares	-
Total number of issued shares (excluding treasury shares)	<u>1,977,036,050</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The movement of treasury shares are as follow:

Number of shares

As at 31 March 2016

Purchase of treasury shares	-
	<u>6,072,700</u>

As at 30 June 2016

Purchase of treasury shares	6,072,700
	<u>10,997,000</u>

As at 30 September 2016

Purchase of treasury shares	17,069,700
	<u>1,033,000</u>

As at 31 December 2016

	<u>18,102,700</u>
--	-------------------

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2015.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

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

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	4th Quarter Ended 31 December			12 Months Ended 31 December		
	31.12.2016	31.12.2015	+/- %	31.12.2016	31.12.2015	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
i) Based on weighted average number of shares (cents)	(0.170)	0.336	Nm	(0.185)	0.828	Nm
-Weighted average number of shares ('000)	1,959,138	1,977,036		1,969,929	1,977,036	
ii) On a fully diluted basis (cents)	(0.170)	0.336	Nm	(0.185)	0.828	Nm
-Adjusted weighted average number of shares ('000)	1,959,138	1,977,036		1,969,929	1,977,036	

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group			Company		
	31.12.2016 (S\$ cents)	31.12.2015 (S\$ cents)	+/- %	31.12.2016 (S\$ cents)	31.12.2015 (S\$ cents)	+/- %
Net asset value per ordinary share	17.65	18.20	-3.0%	15.93	16.07	-0.9%

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

Profit and Loss

The Group recorded revenue of S\$17.7 million in Q42016, compared to S\$58.5 million in Q42015, and an operating profit of S\$0.2 million in Q42016, compared to S\$19.2 million in Q42015. It posted a net loss after tax of S\$3.7 million in Q42016, against a net profit after tax of S\$11.6 million in Q42015.

In Q42015, our property business contributed S\$45.4 million in revenue, compared to S\$1.7 million in Q42016. Following the first phase of the sales launch of GSH Plaza in 2015, the Group's strategy was to launch the second phase of sales and leasing at GSH Plaza once the building obtains temporary occupation permit (TOP) in Q12017.

Our hospitality business grew by 22% from S\$13.0 million in Q42015 to S\$15.9 million in Q42016, due mainly to the increase in room occupancy rates at our two hotels in Sutera Harbour Resort in Kota Kinabalu, Sabah.

Higher administrative expenses of S\$6.5 million were incurred in Q42016, compared to S\$3.1 million in Q42015, due mainly to the implementation of a new wage structure as required by the Malaysian authorities for all hotels, which resulted in an increase of staff costs by S\$1.1 million quarter-on-quarter. Along with the implementation of the new wage structure, service charges were also merged into revenue (which was partially the reason for the increase in the hospitality revenue in Q42016). In addition, the Group incurred stamp duty of S\$0.9 million for the purchase of level 28 of GSH Plaza, intended for the Group's corporate headquarters.

Due to the fall of rental rates in Dubai, the valuation of the Group's investment property in Dubai was reduced by S\$2.0 million, as reflected in other expenses in Q42016.

The Group had entered into a loan and deposit arrangement with a bank, which had a foreign exchange exposure. This exposure was fully hedged with a financial derivative. Consequently, the Group recorded an unrealized exchange gain of S\$15.1 million from the loan and deposit arrangement and an unrealized fair value loss on financial derivative of S\$14.6 million in Q42016.

Balance Sheet

The total loans and borrowings, including redeemable preference shares, remained fairly consistent, at S\$899.7 million as at 31 December 2015, compared to S\$886.0 million as at 31 December 2016.

The decrease in Amount Due To Related Parties, from S\$71.9 million as at 31 December 2015, to S\$64.4 million as at 31 December 2016, was due mainly to payments made for the remaining consideration on the acquisition of subsidiaries.

Cash Flow Analysis

For the financial year ended 31 December 2016, the operating profit before working capital changes, was S\$21.0 million. However, after adjusting for working capital changes, the Group recorded a net cash inflow from operating activities, of S\$11.3 million.

The Group registered a net cash inflow from investing activities of S\$0.9 million, which was due mainly to the decrease in deposit pledged of S\$16.8 million and interest received of S\$5.0 million, offset by the payment made for the remaining consideration on the acquisition of subsidiaries of S\$17.4 million.

The Group recorded a net cash outflow from financing activities of S\$46.5 million, which was due mainly to payments made to finance expenses of S\$30.6 million and net loan repayments of S\$10.0 million during the financial year.

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

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Property Industry

Generally, slower economic and rising interest rates may continue to weigh on the market. However, barring any unforeseen circumstances, with the influx of Chinese investment in Malaysia in the medium to long term, the Malaysia property outlook is positive.

Hospitality Industry

Following from our previous comments regarding the Sabah State government's commitments and initiatives for developing tourism, we continue to see a positive outlook in the hospitality industry.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year. Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. **If no dividend have been declared/recommended, a statement to that effect.**

No dividend has been declared in respect of the current financial period.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate for IPTs.

14. Segment Analysis

SEGMENT ANALYSIS

	3 Months Ended 31 December 2016				3 Months Ended 31 December 2015			
	<u>Hospitality</u>	<u>Property</u>	<u>Others*</u>	<u>Total</u>	<u>Hospitality</u>	<u>Property</u>	<u>Others*</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Segment revenue	15,924	28,166	827	44,917	13,047	45,424	1,398	59,869
Elimination of inter-segment revenue	-	(26,435)	(827)	(27,262)	-	-	(1,398)	(1,398)
External revenue	15,924	1,731	-	17,655	13,047	45,424	-	58,471
Interest income	154	156	1,099	1,409	110	169	867	1,146
Interest expense	(1,869)	(514)	(1,855)	(4,238)	(2,335)	(693)	(887)	(3,915)
Depreciation	(2,184)	(457)	(50)	(2,691)	(2,572)	(1)	(48)	(2,621)
Reportable segment profit/(loss) before tax	1,644	(3,866)	(1,828)	(4,050)	1,705	12,476	(2,132)	12,049
Tax expense	4	324	-	328	1,235	(1,714)	-	(479)
Reportable segment profit/(loss) after tax	1,648	(3,542)	(1,828)	(3,722)	2,940	10,762	(2,132)	11,570
Reportable segment assets	390,350	811,236	314,326	1,515,912	404,877	816,009	329,281	1,550,167
Reportable segment liabilities	(217,406)	(516,045)	(344,327)	(1,077,778)	(226,473)	(580,065)	(290,516)	(1,097,054)
* General corporate activities								
<u>Geographical Information</u>								
	<u>Malaysia</u>	<u>Central Asia</u>	<u>Singapore</u>	<u>Total</u>	<u>Malaysia</u>	<u>Central Asia</u>	<u>Singapore</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
External customers	15,924	-	1,731	17,655	13,047	-	45,424	58,471
Non-current assets	375,090	6,159	22,323	403,573	386,280	8,091	782	395,153

SEGMENT ANALYSIS

	12 Months Ended 31 December 2016				12 Months Ended 31 December 2015			
	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000
Segment revenue	62,704	50,890	3,594	117,188	53,719	108,236	2,231	164,186
Elimination of inter-segment revenue	-	(26,435)	(3,594)	(30,029)	(3)	-	(2,231)	(2,234)
External revenue	62,704	24,455	-	87,159	53,716	108,236	-	161,952
Interest income	460	486	4,702	5,648	332	469	3,705	4,506
Interest expense	(9,392)	(2,423)	(5,708)	(17,523)	(9,609)	(3,779)	(2,817)	(16,205)
Depreciation	(8,239)	(472)	(196)	(8,907)	(10,780)	(3)	(138)	(10,921)
Reportable segment profit/(loss) before tax	7,624	(3,221)	(4,087)	316	(392)	33,493	(1,172)	31,929
Tax expense	(3,625)	(288)	-	(3,913)	306	(4,889)	106	(4,477)
Reportable segment profit/(loss) after tax	3,999	(3,509)	(4,087)	(3,597)	(86)	28,604	(1,066)	27,452
Reportable segment assets	390,350	811,236	314,326	1,515,912	404,877	816,009	329,281	1,550,167
Reportable segment liabilities	(217,406)	(516,045)	(344,327)	(1,077,778)	(226,473)	(580,065)	(290,516)	(1,097,054)
* General corporate activities								
<u>Geographical Information</u>								
	<u>Malaysia</u> S\$'000	<u>Central Asia</u> S\$'000	<u>Singapore</u> S\$'000	<u>Total</u> S\$'000	<u>Malaysia</u> S\$'000	<u>Central Asia</u> S\$'000	<u>Singapore</u> S\$'000	<u>Total</u> S\$'000
External customers	62,704	-	24,455	87,159	53,716	-	108,236	161,952
Non-current assets	375,090	6,159	22,323	403,573	386,280	8,091	782	395,153

15. In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

In FY2015, the property and hospitality business segments contributed 67% and 33% respectively to the Group's revenue.

In FY2016, the hospitality business generated a higher proportion of the Group's revenue (72%) and was the main component of the Group's profit after taxation.

As explained earlier in paragraph 8, the Group intended to launch the second phase of GSH Plaza's sales and leasing exercise after the building obtains TOP in Q12017. The launch of its Eaton Residences project in Kuala Lumpur, Malaysia, in FY2016 was well received and the sales of its units will be progressively recognized over the construction period of the project, starting from FY2017.

16. A breakdown of sales.**Breakdown for revenue**

	Group		
	Full Year Ended 31 December		
	2016	2015	Increase/
	Unaudited	Audited	(Decrease)
	S\$'000	S\$'000	%
<u>First Half</u>			
Revenue reported for the first half year	41,129	79,627	(48.3%)
(Loss)/Profit after tax reported for the first half year	(892)	8,255	Nm
<u>Second Half</u>			
Revenue reported for the second half year	46,030	82,325	(44.1%)
(Loss)/Profit after tax reported for the second half year	(2,705)	19,197	Nm

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**Breakdown for dividend**

	Group	
	Full Year Ended 31 December	
	2016	2015
	Unaudited	Audited
	S\$'000	S\$'000
Ordinary	Nil	988
Preference	Nil	Nil
	-	988

18. Subsequent Event

The Group obtained TOP for GSH Plaza on 13 February 2017.

As announced on 6 February 2017, the Group entered into a binding Term Sheet with Fullshare Holdings Limited for the proposed sale of its partially owned subsidiary (Plaza Ventures Pte Ltd). (The Proposed Sale). The Proposed Sale values Plaza Ventures at S\$725.2 million.

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

- 20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms it has procured the undertakings.

BY ORDER OF THE BOARD

**Lee Tiong Hock
Company Secretary
28 February 2017**