



## **GSH CORPORATION LIMITED**

# **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023**

### **Table of Contents**

<b>A. Condensed interim consolidated statement of comprehensive income .....</b>	<b>2</b>
<b>B. Condensed interim statements of financial position.....</b>	<b>3</b>
<b>C. Condensed interim statements of changes in equity.....</b>	<b>4</b>
<b>D. Condensed interim consolidated statement of cash flows.....</b>	<b>6</b>
<b>E. Notes to the condensed interim consolidated financial statements.....</b>	<b>7</b>
<b>F. Other information required by Listing Rule Appendix 7.2 .....</b>	<b>22</b>

## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	The Group			The Group		
		2nd Half Year Ended 31 December			12 months Ended 31 December		
		31.12.2023 Unaudited S\$'000	31.12.2022 Unaudited S\$'000	+/ %	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	+/ %
Revenue	4	110,362	44,227	>100%	156,617	86,077	82%
Cost of Sales		(70,982)	(34,445)	>100%	(102,009)	(63,358)	61%
<b>Gross profit</b>		39,380	9,782	>100%	54,608	22,719	>100%
Other net income		5,637	12,796	(56%)	6,845	13,762	(50%)
Selling and marketing expenses		(4,133)	(1,305)	>100%	(5,868)	(3,021)	94%
Administrative expenses		(16,280)	(11,511)	41%	(28,514)	(20,633)	38%
Net impairment losses on financial assets		82	(428)	>100%	(350)	(444)	(21%)
Other expenses		-	(10,860)	(100%)	-	(10,860)	(100%)
<b>Results from operating activities</b>		24,686	(1,526)	Nm	26,721	1,523	>100%
Finance income		482	440	10%	959	643	49%
Finance expenses		(15,636)	(13,598)	15%	(30,766)	(24,916)	23%
<b>Net finance costs</b>	8	(15,154)	(13,158)	15%	(29,807)	(24,273)	23%
<b>Profit/(Loss) before tax</b>	6	9,532	(14,684)	Nm	(3,086)	(22,750)	(86%)
Tax (expense)/credit	7	(4,825)	(1,653)	>100%	(5,196)	1,082	Nm
<b>Profit/(Loss) for the period</b>		4,707	(16,337)	Nm	(8,282)	(21,668)	(62%)
<b>Profit/(Loss) attributable to:</b>							
Owners of the Company		693	(14,977)	>100%	(11,186)	(18,637)	(40%)
Non-controlling interests		4,014	(1,360)	Nm	2,904	(3,031)	>100%
<b>Profit/(Loss) for the period</b>		4,707	(16,337)	Nm	(8,282)	(21,668)	(62%)

	The Group			The Group		
	2nd Half Year Ended 31 December			12 months Ended 31 December		
	31.12.2023 Unaudited S\$'000	31.12.2022 Unaudited S\$'000	+/ %	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	+/ %
<b>Other comprehensive income/(loss) ("OCI"), net of tax</b>						
<b>Item that will not be reclassified to profit or loss:</b>						
Revaluation gain on property, plant and equipment	93,422	-	100%	93,422	-	100%
Foreign currency translation differences arising from consolidation	(4,572)	(6,462)	(29%)	(6,732)	(9,314)	(28%)
<b>Item that are or may be reclassified subsequently to profit or loss:</b>						
Exchange differences on monetary items forming part of net investments in foreign subsidiaries	(6,396)	(8,140)	(21%)	(10,801)	(13,464)	(20%)
Foreign currency translation differences arising from consolidation	(10,216)	(11,890)	(14%)	(15,366)	(18,078)	(15%)
<b>Other comprehensive income/(loss), net of tax</b>	72,238	(26,492)	>100%	60,523	(40,856)	>100%
<b>Total comprehensive income/(loss) for the period</b>	76,945	(42,829)	>100%	52,241	(62,524)	>100%
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the Company	56,290	(35,007)	>100%	34,856	(50,179)	>100%
Non-controlling interests	20,655	(7,822)	>100%	17,385	(12,345)	>100%
<b>Total comprehensive income/(loss) for the period</b>	76,945	(42,829)	>100%	52,241	(62,524)	>100%

Nm - Not meaningful

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	Note	Group		Company	
		31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
<b>ASSETS</b>					
Property, plant and equipment	9	565,541	422,003	37,022	27,177
Investment property	10	4,939	4,531	-	-
Subsidiaries		-	-	40,171	40,171
Deferred tax assets		540	917	540	540
<b>Non-current assets</b>		<b>571,020</b>	<b>427,451</b>	<b>77,733</b>	<b>67,888</b>
Development properties	11	533,795	543,919	-	-
Contract costs		1,591	2,292	-	-
Contract assets		16,791	8,271	-	-
Inventories	12	2,436	5,349	-	-
Trade and other receivables	13	37,414	47,088	760	838
Amounts due from related parties		595	631	589,162	552,326
Tax recoverables		1,527	1,689	-	-
Time deposits		1,493	2,519	-	-
Cash and cash equivalents		51,905	91,169	2,881	4,589
Derivative financial assets		918	-	668	-
<b>Current assets</b>		<b>648,465</b>	<b>702,927</b>	<b>593,471</b>	<b>557,753</b>
<b>Total assets</b>		<b>1,219,485</b>	<b>1,130,378</b>	<b>671,204</b>	<b>625,641</b>
<b>EQUITY</b>					
Share capital	14	345,244	343,458	345,244	343,458
Treasury shares		(5,580)	(5,580)	(5,580)	(5,580)
Reserves		(20,406)	(66,430)	9,408	908
Accumulated profits/(losses)		15,772	26,958	(60,611)	(40,183)
<b>Equity attributable to owners of the Company</b>		<b>335,030</b>	<b>298,406</b>	<b>288,461</b>	<b>298,603</b>
Non-controlling interests		142,606	125,221	-	-
<b>Total equity</b>		<b>477,636</b>	<b>423,627</b>	<b>288,461</b>	<b>298,603</b>
<b>LIABILITIES</b>					
Trade and other liabilities	15	407	416	-	-
Contract liabilities		1,560	1,436	-	-
Loans and borrowings	17	213,148	333,220	120,271	194,800
Deferred tax liabilities		65,033	38,819	1,746	-
<b>Non-current liabilities</b>		<b>280,148</b>	<b>373,891</b>	<b>122,017</b>	<b>194,800</b>
Trade and other liabilities	15	113,485	89,634	2,977	2,244
Provision	16	-	10,860	-	-
Contract liabilities		12,047	46,518	-	-
Amounts due to related parties		33,037	34,997	15,951	15,818
Loans and borrowings	17	300,810	150,791	241,798	114,116
Current tax liabilities		2,322	60	-	60
<b>Current liabilities</b>		<b>461,701</b>	<b>332,860</b>	<b>260,726</b>	<b>132,238</b>
<b>Total liabilities</b>		<b>741,849</b>	<b>706,751</b>	<b>382,743</b>	<b>327,038</b>
<b>Total equity and liabilities</b>		<b>1,219,485</b>	<b>1,130,378</b>	<b>671,204</b>	<b>625,641</b>



<b>C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)</b>						
<b>Company</b>	<b>Share capital S\$'000</b>	<b>Treasury share S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Asset revaluation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
<b>As at 1 January 2023</b>	343,458	(5,580)	908	-	(40,183)	298,603
<b>Total comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(20,428)	(20,428)
<b>Other comprehensive income</b>						
Net surplus on revaluation of property, plant and equipment, net of tax	-	-	-	8,518	-	8,518
Total other comprehensive income, net of tax	-	-	-	8,518	-	8,518
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	<b>8,518</b>	(20,428)	(11,910)
<b>Transactions with owners, recognised directly in equity</b>						
Issue of new shares	1,786	-	(18)	-	-	1,768
<b>As at 31 December 2023</b>	<b>345,244</b>	<b>(5,580)</b>	<b>890</b>	<b>8,518</b>	<b>(60,611)</b>	<b>288,461</b>
	<b>Share capital S\$'000</b>	<b>Treasury share S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Asset revaluation reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
<b>As at 1 January 2022</b>	343,458	(5,580)	908	-	(20,735)	318,051
<b>Total comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(19,448)	(19,448)
<b>Total comprehensive loss for the year</b>	-	-	-	-	(19,448)	(19,448)
<b>As at 31 December 2022</b>	<b>343,458</b>	<b>(5,580)</b>	<b>908</b>	-	<b>(40,183)</b>	<b>298,603</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

		<b>The Group</b>	
		<b>Full Year Ended 31 December</b>	
		<b>2023</b>	<b>2022</b>
<b>Note</b>		<b>Audited</b>	<b>Audited</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>			
	Loss for the year	(8,282)	(21,668)
	Adjustment for:		
	Depreciation of property, plant & equipment	6 10,598	11,077
	Interest expense	8 26,840	20,343
	Interest income	8 (959)	(643)
	Allowance for/(Reversal of) inventories	6 14	(6)
	Net (gain)/loss on disposal of property, plant & equipment	6 (43)	19
	Allowance for trade receivables	6 331	361
	Reversal of inventories written down	6 (517)	(2,387)
	Provision	-	10,860
	Change in fair value of investment property	(490)	-
	Net change in fair value of financial derivatives	6 (918)	-
	Tax expense/(credit)	7 5,196	(1,082)
	Operating cashflows before working capital changes	31,770	16,874
	Changes in:		
	Development properties	(10,322)	(26,637)
	Contract costs	701	1,872
	Contracts assets/liabilities, net	(42,867)	70,546
	Inventories	3,416	8,277
	Trade and other receivables	9,803	(12,610)
	Trade and other liabilities	2,815	7,227
	Provision	(10,860)	-
	<b>Cash from operations</b>	(15,544)	65,549
	Tax paid, net	(849)	(532)
	<b>Net cash (used in)/from operating activities</b>	(16,393)	65,017
<b>Cash flows from investing activities</b>			
	Acquisition of property, plant and equipment	9 (30,553)	(25,919)
	Interest received	918	560
	Proceeds from disposal of property, plant and equipment	79	21
	<b>Net cash used in investing activities</b>	(29,556)	(25,338)
<b>Cash flows from financing activities</b>			
	Changes in deposits pledged	1,552	(649) *
	Changes in time deposits	1,026	(14) *
	Payment of upfront fees	(419)	-
	Interest paid	(29,016)	(21,373)
	Payment of lease liabilities	(658)	(625)
	Proceeds from loans and borrowings	203,950	379,062
	Repayment of loans and borrowings	(165,077)	(377,574)
	<b>Net cash from/(used in) financing activities</b>	11,358	(21,173)
	<b>Net (decrease)/increase in cash and cash equivalents</b>	(34,591)	18,506
	Effect of exchange rate fluctuations	(3,121)	966
	<b>Cash and cash equivalents at beginning of the period</b>	56,975	37,503
	<b>Cash and cash equivalents at end of the period (Note A)</b>	19,263	56,975
<b>Note A: Cash and cash equivalents comprise:</b>			
	Cash and cash equivalents in the statement of financial position	51,905	91,169
	Less: fixed deposits and cash balances pledged	(32,642)	(34,194)
	Cash and cash equivalents in the consolidated statement of cash flows	19,263	56,975
	Time deposits with maturities of more than three months	1,493	2,519
	Cash and cash equivalents and time deposits	20,756	59,494

\*Reclassification has been made for comparative purposes.

## **E Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

GSH Corporation Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six and twelve months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are investment holding and provision of management services to its subsidiaries.

The principal activities of the Group are:

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

### **2. Basis of preparation**

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

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

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except as follows:

Leasehold land, leasehold properties, golf club and hotel buildings, improvements and renovation, and golf course renovation and operating equipment are initially recognised at cost and are subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses.

Leasehold land, leasehold properties, golf club and hotel buildings, improvements and renovation, and golf course renovation and operating equipment are revalued by independent professional valuers on a regular basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the assets.

These changes in accounting policy has been applied prospectively.

#### **2.1 New and amended standards adopted by the Group**

##### **Amendments to SFRS(I) 1-1 and FRS Practice Statement 2: Disclosure of Accounting Policies**

The amendments to SFRS(I) 1-1 and FRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has adopted the amendments to SFRS(I) 1-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Group's and the Company's financial statements.

## **2.1 New and amended standards adopted by the Group (cont'd)**

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

## **2.2 Use of judgements and estimates**

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

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

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

Note 4 – Revenue recognition

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

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

Note 9 – Determination of fair value of property, plant and equipment using significant unobservable inputs

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

## **3. Seasonal operations**

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



## 4. Segment and revenue information

### 4.1 Reportable segment

	2nd Half Ended 31 December 2023					2nd Half Ended 31 December 2022				
	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Others* S\$'000	Total S\$'000	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Others* S\$'000	Total S\$'000
Segment revenue	30,434	77,257	2,671	1,512	111,874	19,903	17,878	6,446	1,282	45,509
Elimination of inter-segment revenue	-	-	-	(1,512)	(1,512)	-	-	-	(1,282)	(1,282)
External revenue	30,434	77,257	2,671	-	110,362	19,903	17,878	6,446	-	44,227
Interest income	120	340	20	2	482	49	316	26	49	440
Interest expense	(2,766)	(389)	-	(11,016)	(14,171)	(2,531)	(494)	1	(7,943)	(10,967)
<b>Other material non-cash items:</b>										
- Depreciation	(4,536)	(540)	(3)	(214)	(5,293)	(4,444)	(834)	(2)	(230)	(5,510)
- Reversal of inventories written down	-	-	517	-	517	-	-	531	-	531
- Net change in fair value of financial derivatives	-	521	-	668	1,189	-	-	-	-	-
- Change in fair value of investment property	-	490	-	-	490	-	-	-	-	-
- Provision	-	-	-	-	-	(10,860)	-	-	-	(10,860)
Reportable segment profit/(loss) before tax	3,677	17,004	(636)	(10,513)	9,532	(1,943)	578	(876)	(12,443)	(14,684)
Tax (expense)/credit	(1,032)	(3,849)	-	56	(4,825)	825	(2,475)	-	(3)	(1,653)
Reportable segment profit/(loss) after tax	2,645	13,155	(636)	(10,457)	4,707	(1,118)	(1,897)	(876)	(12,446)	(16,337)
Reportable segment assets	419,947	753,424	7,011	39,103	1,219,485	345,222	745,437	9,343	30,376	1,130,378
Reportable segment liabilities	(174,135)	(184,642)	(330)	(382,742)	(741,849)	(174,094)	(204,884)	(736)	(327,037)	(706,751)
Capital expenditure	26,112	4,150	-	1	30,263	1,153	12,129	-	4	13,286

\* Including general corporate activities

#### Geographical Information

	Revenue 2nd Half Ended 31 Dec		Non-current assets ** As at 31 Dec	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Malaysia	47,692	28,724	405,309	338,181
China	62,670	15,503	125,539	59,162
Singapore	-	-	34,504	24,660
United Arab Emirates	-	-	5,128	4,531
Total	110,362	44,227	570,480	426,534

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

## 4.1 Reportable segment (cont'd)

	12 Months Ended 31 December 2023					12 Months Ended 31 December 2022				
	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Others* S\$'000	Total S\$'000	Hospitality S\$'000	Property S\$'000	Trading S\$'000	Others* S\$'000	Total S\$'000
Segment revenue	53,476	97,636	5,505	3,108	159,725	32,140	41,195	12,742	2,768	88,845
Elimination of inter-segment revenue	-	-	-	(3,108)	(3,108)	-	-	-	(2,768)	(2,768)
External revenue	53,476	97,636	5,505	-	156,617	32,140	41,195	12,742	-	86,077
Interest income	159	755	40	5	959	83	458	34	68	643
Interest expense	(5,333)	(856)	-	(20,651)	(26,840)	(4,688)	(897)	(32)	(14,726)	(20,343)
<b>Other material non-cash items:</b>										
- Depreciation	(8,789)	(1,374)	(5)	(430)	(10,598)	(8,988)	(1,583)	(27)	(479)	(11,077)
- Reversal of inventories written down	-	-	517	-	517	-	-	2,387	-	2,387
- Net change in fair value of financial derivatives	-	250	-	668	918	-	-	-	-	-
- Change in fair value of investment property	-	490	-	-	490	-	-	-	-	-
- Provision	-	-	-	-	-	(10,860)	-	-	-	(10,860)
Reportable segment profit/(loss) before tax	3,469	18,738	(1,629)	(23,664)	(3,086)	(8,487)	7,762	196	(22,221)	(22,750)
Tax (expense)/credit	(1,106)	(4,143)	-	53	(5,196)	2,193	(1,104)	-	(7)	1,082
Reportable segment profit/(loss) after tax	2,363	14,595	(1,629)	(23,611)	(8,282)	(6,294)	6,658	196	(22,228)	(21,668)
Reportable segment assets	419,947	753,424	7,011	39,103	1,219,485	345,222	745,437	9,343	30,376	1,130,378
Reportable segment liabilities	(174,135)	(184,642)	(330)	(382,742)	(741,849)	(174,094)	(204,884)	(736)	(327,037)	(706,751)
Capital expenditure	48,953	4,371	-	12	53,336	1,395	26,544	-	5	27,944

\* Including general corporate activities

**Geographical Information**

	Revenue 12 months ended 31 Dec		Non-current assets ** As at 31 Dec	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Malaysia	82,161	64,278	405,309	338,181
China	74,456	21,799	125,539	59,162
Singapore	-	-	34,504	24,660
United Arab Emirates	-	-	5,128	4,531
Total	156,617	86,077	570,480	426,534

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

## 4.2 Disaggregation of Revenue

	2nd Half Ended 31 December 2023				2nd Half Ended 31 December 2022			
	<u>Hospitality</u>	<u>Property</u>	<u>Trading</u>	<u>Total</u>	<u>Hospitality</u>	<u>Property</u>	<u>Trading</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>
<b>Types of goods or service:</b>								
Hotel income	15,862	-	-	15,862	8,494	-	-	8,494
Golf club related income	3,742	-	-	3,742	2,920	-	-	2,920
Sales of goods	10,830	-	-	10,830	8,489	-	-	8,489
Sales of development properties	-	77,257	-	77,257	-	17,878	-	17,878
Trading	-	-	2,671	2,671	-	-	6,446	6,446
	30,434	77,257	2,671	110,362	19,903	17,878	6,446	44,227
<b>Timing of revenue recognition:</b>								
Products transferred at a point in time	10,830	59,590	2,671	73,091	8,489	9,057	6,446	23,992
Products and services transferred over time	19,604	17,667	-	37,271	11,414	8,821	-	20,235
	30,434	77,257	2,671	110,362	19,903	17,878	6,446	44,227

	12 Months Ended 31 December 2023				12 Months Ended 31 December 2022			
	<u>Hospitality</u>	<u>Property</u>	<u>Trading</u>	<u>Total</u>	<u>Hospitality</u>	<u>Property</u>	<u>Trading</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>
<b>Types of goods or service:</b>								
Hotel income	26,287	-	-	26,287	13,304	-	-	13,304
Golf club related income	7,599	-	-	7,599	5,257	-	-	5,257
Sales of goods	19,590	-	-	19,590	13,579	-	-	13,579
Sales of development properties	-	97,636	-	97,636	-	41,195	-	41,195
Trading	-	-	5,505	5,505	-	-	12,742	12,742
	53,476	97,636	5,505	156,617	32,140	41,195	12,742	86,077
<b>Timing of revenue recognition:</b>								
Products transferred at a point in time	19,590	68,542	5,505	93,637	13,579	9,057	12,742	35,378
Products and services transferred over time	33,886	29,094	-	62,980	18,561	32,138	-	50,699
	53,476	97,636	5,505	156,617	32,140	41,195	12,742	86,077

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

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

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

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

The fair value of the borrowings approximate their carrying amounts.

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

	<b>Carrying amounts</b>		
	<b>Amortised cost</b>	<b>Other financial liabilities</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>			
<b>31 December 2023</b>			
<b>Financial assets not measured at fair value</b>			
Trade and other receivables *	34,294	-	34,294
Amount due from related parties	595	-	595
Time deposits	1,493	-	1,493
Cash and cash equivalents	51,905	-	51,905
	<u>88,287</u>	<u>-</u>	<u>88,287</u>
<b>Financial liabilities not measured at fair value</b>			
Trade and other liabilities **	-	(111,589)	(111,589)
Loans and borrowings @	-	(512,359)	(512,359)
Amounts due to related parties	-	(33,037)	(33,037)
	<u>-</u>	<u>(656,985)</u>	<u>(656,985)</u>
<b>31 December 2022</b>			
<b>Financial assets not measured at fair value</b>			
Trade and other receivables *	40,383	-	40,383
Amount due from related parties	631	-	631
Time deposits	2,519	-	2,519
Cash and cash equivalents	91,169	-	91,169
	<u>134,702</u>	<u>-</u>	<u>134,702</u>
<b>Financial liabilities not measured at fair value</b>			
Trade and other liabilities **	-	(87,514)	(87,514)
Loans and borrowings @	-	(481,656)	(481,656)
Amounts due to related parties	-	(34,997)	(34,997)
	<u>-</u>	<u>(604,167)</u>	<u>(604,167)</u>

## 5. Financial assets and financial liabilities (accounting classifications and fair value measurement) (cont'd)

Company	Carrying amounts		
	Amortised cost	Other financial liabilities	Total
	S\$'000	S\$'000	S\$'000
<b>31 December 2023</b>			
<b>Financial assets not measured at fair value</b>			
Trade and other receivables *	270	-	270
Amounts due from related parties	589,162	-	589,162
Cash and cash equivalents	2,881	-	2,881
	<u>592,313</u>	<u>-</u>	<u>592,313</u>
<b>Financial liabilities not measured at fair value</b>			
Trade and other liabilities**	-	(2,977)	(2,977)
Loans and borrowings @	-	(362,069)	(362,069)
Amounts due to related parties	-	(15,951)	(15,951)
	<u>-</u>	<u>(380,997)</u>	<u>(380,997)</u>
<b>31 December 2022</b>			
<b>Financial assets not measured at fair value</b>			
Trade and other receivables *	275	-	275
Amounts due from related parties	552,326	-	552,326
Cash and cash equivalents	4,589	-	4,589
	<u>557,190</u>	<u>-</u>	<u>557,190</u>
<b>Financial liabilities not measured at fair value</b>			
Trade and other liabilities**	-	(2,244)	(2,244)
Loans and borrowings @	-	(308,916)	(308,916)
Amounts due to related parties	-	(15,818)	(15,818)
	<u>-</u>	<u>(326,978)</u>	<u>(326,978)</u>
* Excludes advance payments to suppliers and prepayments			
** Excludes advance payments from customers and deferred income			
@ Excludes lease liabilities			

## 6. Profit/(Loss) before tax

### 6.1 Significant items

	2nd Half Ended 31 December			Full Year Ended		
	31.12.2023	31.12.2022	+/-	31.12.2023	31.12.2022	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Audited S\$'000	%
<b>Income</b>						
Rental income	(987)	(587)	68%	(1,809)	(1,064)	70%
<b>Expenses</b>						
Personnel expenses inclusive of executive directors' remuneration	12,117	10,107	20%	22,129	19,154	16%
Depreciation of property, plant and equipment	5,293	5,510	(4%)	10,598	11,077	(4%)
Foreign currency exchange loss, net	2,654	2,634	1%	4,844	4,576	6%
Reversal of inventories written down	(517)	(531)	(3%)	(517)	(2,387)	(78%)
Allowance/(reversal of allowance) for inventories	15	(3)	Nm	14	(6)	Nm
(Reversal of)/allowance for trade receivables	(130)	359	Nm	331	361	(8%)
Adjustment for over provision of tax in respective of prior years	648	(135)	Nm	642	(139)	Nm
Net change in fair value of financial derivatives	(1,189)	-	Nm	(918)	-	Nm
Net (gain)/loss on disposal of property, plant and equipment	10	18	(44%)	(43)	19	Nm
Nm - Not meaningful						

### 6.2 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 full year ended 31 December 2023:

Two directors subscribed for series 3 to 6 of the Company's commercial papers (3 and 6 months tenors) during the year amounting to \$44,000,000 (31 December 2022: \$25,180,000).

Interest expense incurred on loans and borrowings related to the directors amounted to \$9,360,000 (31 December 2022: S\$6,354,000).

The Company entered into short-term shareholder loan agreements with a controlling shareholder (Dr. Sam Goi) for loans amounted to \$50,240,000\* during the year.

The Company entered into a supplemental loan agreement with same controlling shareholder for loan amounted to \$50,000,000\*, to extend the maturity date of the loan, during the year.

\* The interest rate for the these loans is at 6.75% per annum. The tenor of these loans or extended loans are one year. The proceeds from the loan were used to fund the Group's working capital.

### Key management personnel remuneration

	2nd Half Ended 31 December			Full Year Ended		
	31.12.2023	31.12.2022	+/-	31.12.2023	31.12.2022	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Audited S\$'000	%
Short term employee benefits	1,161	1,025	13%	2,210	1,924	15%
Post-employment benefits (including Central Provident Fund)	53	63	-16%	100	101	-1%
	<u>1,214</u>	<u>1,088</u>	<u>12%</u>	<u>2,310</u>	<u>2,025</u>	<u>14%</u>

## 7. Taxation

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

	2nd Half Ended			12 Months Ended		
	31.12.2023	31.12.2022	+/-	31.12.2023	31.12.2022	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Audited S\$'000	%
Corporate income tax expense	(3,284)	(12)	>100%	(3,318)	(178)	>100%
Deferred income tax expense relating to origination and reversal of temporary differences	(952)	(1,055)	(10%)	(701)	2,484	>100%
Withholding tax	(589)	(586)	1%	(1,177)	(1,224)	(4%)
	(4,825)	(1,653)	>100%	(5,196)	1,082	>100%

## 8. Net finance costs

	2nd Half Ended			12 Months Ended		
	31.12.2023	31.12.2022	+/-	31.12.2023	31.12.2022	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Audited S\$'000	%
Interest income	482	440	10%	959	643	49%
Finance income	482	440	10%	959	643	49%
Interest expense from:						
- bank and other loans	(12,496)	(9,551)	31%	(23,526)	(17,988)	31%
- lease liabilities	(1,240)	(446)	>100%	(2,351)	(776)	>100%
- others	(116)	(543)	(79%)	(268)	(763)	(65%)
Amortisation of transaction costs previously capitalised	(319)	(427)	(25%)	(695)	(816)	(15%)
	(14,171)	(10,967)	29%	(26,840)	(20,343)	32%
Net change in fair value of financial derivatives	1,189	-	100%	918	-	100%
Net foreign exchange loss	(2,654)	(2,631)	1%	(4,844)	(4,573)	6%
Finance expenses	(15,636)	(13,598)	15%	(30,766)	(24,916)	23%
Net finance costs recognised in profit or loss	(15,154)	(13,158)	15%	(29,807)	(24,273)	23%

Nm - Not meaningful

## 9. Property, plant and equipment

During the full year ended 31 December 2023, the Group added assets amounting to S\$53,336,000 (31 December 2022: S\$27,944,000) and disposed of assets amounting to S\$36,000 (31 December 2022: S\$40,000).

The fair value of the Group's leasehold land, golf club and hotel buildings, improvements and renovation, and golf course renovation and operating equipment was determined by external valuer based on the discounted cash flows model which considers the present value of net cash flows to be generated from the properties, taking into account comparable market transactions, expected occupancy rates, average room rates, future growth rates and the discount rate applied. The expected net cash flows are discounted using a risk-adjusted discount rate. The existing use of the fair value of the Group's leasehold land, golf club and hotel buildings, improvements and renovation, and golf course renovation and operating equipment was based on highest and best use.

The fair value of the Group's leasehold property was determined based on the property's highest and best use by an external valuer using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre.

## 9. Property, plant and equipment (cont'd)

	<b>The Group</b>	
	<b>Full Year Ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>Unaudited</b>	<b>Audited</b>
	S\$'000	S\$'000
Aggregate cost of property, plant and equipment acquired	53,336	27,944
Less: Additions to right-of-use assets	-	(2,025)
Less: Unpaid portion of the construction of hotel building	(22,783)	-
Net cash outflow for purchase of property, plant and equipment	<u>30,553</u>	<u>25,919</u>

## 10. Investment Property

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
At 1 January	4,531	4,557
Change in fair value	490	-
Effect of movements in exchange rates	(82)	(26)
At 31 December	<u>4,939</u>	<u>4,531</u>

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

The investment property is carried at fair value as at 31 December 2023 as determined by an external, independent valuer. Valuation is based on the direct income capitalisation 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 capitalization rate. NOI is equal to a property's yearly gross income less operating expenses. The expected gross rental income and operating expenses per square feet used in the measurement were \$6 to \$9 (2022: \$7 to \$9) and \$2 (2022: \$2) respectively. Capitalisation rate used was 9% to 11% (2022: 9% to 11%).

## 11. Development properties

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Development properties for sale</b>		
Development costs	<u>68,489</u>	<u>77,847</u>
<b>Properties under development</b>		
Land and land related costs	252,942	274,876
Development costs	220,442	199,581
Government grant utilised	(8,078)	(8,385)
	<u>465,306</u>	<u>466,072</u>
	<u>533,795</u>	<u>543,919</u>



## 11. Development properties (cont'd)

### *Estimation of provision of onerous contract for development properties*

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

## 12. Inventories

	Group	
	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Food and beverage	343	303
Spare parts and consumables	380	477
Merchandise	24	10
Trading goods	1,689	4,559
	2,436	5,349

## 13. Trade and other receivables

	Group		Company	
	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Trade receivables	15,965	21,922	14	19
Less: Allowance for doubtful receivables	(779)	(484)	-	-
	15,186	21,438	14	19
Deposits	1,309	1,098	6	1
Interest receivables	298	116	-	-
Other receivables	17,501	17,731	250	255
	34,294	40,383	270	275
Advances to suppliers	1,940	5,523	1	4
Prepayments	1,180	1,182	489	559
	37,414	47,088	760	838
Current	37,414	47,088	760	838
	37,414	47,088	760	838

### *Expected credit loss assessment for trade receivables*

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

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

## 14. Share capital

	Group and Company			
	31.12.2023		31.12.2022	
	Unaudited		Audited	
	Number of shares	S\$'000	Number of shares	S\$'000
<b>Issued and fully paid ordinary shares</b>				
At 1 January	1,977,036,050	343,458	1,977,036,050	343,458
Issue of new shares	10,505,923	1,786	-	-
	1,987,541,973	345,244	1,977,036,050	343,458
Treasury shares	(20,102,500)	(5,580)	(20,102,500)	(5,580)
At 31 December	1,967,439,473	339,664	1,956,933,550	337,878

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

During the financial year ended 31 December 2023, there were 10,505,923 (2022: Nil) new shares being issued from conversion of \$1,786,000 (2022: \$Nil) of convertible bond.

	Group	
	31.12.2023	31.12.2022
	Unaudited	Audited
	S\$'000	S\$'000
<b>Total loans and borrowings</b>	513,958	484,011
Attributable to owners of the Company	482,873	445,542
Attributable to non-controlling interests	31,085	38,469
<b>Less: Cash and cash equivalents and time deposit</b>	(53,398)	(93,688)
Attributable to owners of the Company	(47,216)	(77,075)
Attributable to non-controlling interests	(6,182)	(16,613)
<b>Net borrowings</b>	460,560	390,323
Attributable to owners of the Company	435,657	368,467
Attributable to non-controlling interests	24,903	21,856
<b>Total equity</b>	477,636	423,627
Attributable to owners of the Company	335,030	298,406
Attributable to non-controlling interests	142,606	125,221
Net debt equity ratio	0.96	0.92
Net debt equity ratio (excluding non-controlling interests)	1.30	1.23

There was no treasury shares movement from 1 January 2023 to 31 December 2023.

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

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at 31 December 2023.

**15. Trade and other liabilities**

	Group		Company	
	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Trade payables	37,348	54,634	-	-
Accruals				
- operating expenses	10,433	8,670	2,977	2,228
- accrued liabilities	54,946	11,464	-	-
Rental and other deposits	2,495	6,002	-	5
Other payables	6,367	6,744	-	11
	<u>111,589</u>	<u>87,514</u>	<u>2,977</u>	<u>2,244</u>
Advance payments from customers	1,738	1,950	-	-
Deferred income	565	586	-	-
	<u>113,892</u>	<u>90,050</u>	<u>2,977</u>	<u>2,244</u>
Non-current	407	416	-	-
Current	113,485	89,634	2,977	2,244
	<u>113,892</u>	<u>90,050</u>	<u>2,977</u>	<u>2,244</u>

**16. Provision**

	Group	
	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Provision	-	10,860

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

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

By way of background: -

a. The companies which owned the Sutera Harbour properties had been acquired by BV on 26 March 2014.

b. The Suit related to a breach of warranty given by Ong in the said acquisition over the ownership of a piece of land measuring 1.459 acres located within the Sutera Harbour properties where there was a purported sale of that said land to a company owned by Ong.

## 16. Provision (cont'd)

c. In the Suit, the remedies sought by BV were for (1) a mandatory injunction requiring Ong to restrain his company from completing and/or enforcing the sale of the said land and to cause his company to terminate the sale and purchase agreement for the said sale, and/or (2) damages to be assessed.

d. By a High Court judgment dated 5 May 2020, the injunction sought by BV was granted. However, this injunction was subsequently set aside on appeal. Ong was instead found liable to pay to BV damages as mentioned above.

e. On 20 July 2022, Ong appealed against the Judgement to the Appellate Division of the High Court. The appeal was heard on 9 March 2023 with judgement being reserved.

The Group had made a provision of \$10.86 million for the financial year ended 31 December 2022. According to the appeal judgement released on 30 August 2023, the amounts awarded to BV has been reduced by \$10.86 million from S\$11.68 million to S\$0.82 million. Hence, the provision of \$10.86 million was utilised towards this reduction.

## 17. Loans and borrowings

	Group		Company	
	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
<b>Amount repayable within one year or on demand</b>				
<b>Secured</b>				
Bank loans	96,882	76,763	38,639	40,777
Lease liabilities	-	17	-	-
	96,882	76,780	38,639	40,777
<b>Unsecured</b>				
Shareholder loan	100,240	50,000	100,240	50,000
Bank loans	1,268	1,240	1,268	1,240
Convertible notes	76,233	-	76,233	-
Lease liabilities	769	672	-	-
Commercial papers	25,418	22,099	25,418	22,099
	203,928	74,011	203,159	73,339
	<b>300,810</b>	<b>150,791</b>	<b>241,798</b>	<b>114,116</b>
<b>Amount repayable after one year</b>				
<b>Secured</b>				
Bank loans	210,865	251,156	119,192	114,798
<b>Unsecured</b>				
Bank loans	1,079	2,348	1,079	2,348
Lease liabilities	830	1,666	-	-
Redeemable preference shares	374	396	-	-
Convertible notes	-	77,654	-	77,654
	2,283	82,064	1,079	80,002
	<b>213,148</b>	<b>333,220</b>	<b>120,271</b>	<b>194,800</b>
<b>Total loans and borrowings</b>	<b>513,958</b>	<b>484,011</b>	<b>362,069</b>	<b>308,916</b>

### Details of any collateral

As at 31 December 2023, part of the Group's borrowings was secured by legal charges on the Group's development properties of S\$280.1 million (31 December 2022: S\$271.3 million), property, plant and equipment of S\$338.8 million (31 December 2022: S\$204.5 million), time deposits of S\$2.6 million (31 December 2022: S\$2.5 million) and cash and cash equivalents of S\$31.7 million (31 December 2022: S\$31.7 million).

## 18. Earnings/(loss) per ordinary share

	2nd Half Ended			12 Months Ended 12 December		
	31.12.2023	31.12.2022	+/- %	31.12.2023	31.12.2022	+/- %
Earnings/(loss) per ordinary share of the Group based on net loss attributable to shareholders:-						
i) Based on weighted average number of shares (cents)	0.04	(0.77)	>100%	(0.57)	(0.95)	40%
-Weighted average number of shares ('000)	1,967,439	1,956,934		1,967,439	1,956,934	
ii) On a fully diluted basis (cents)	0.03	(0.62)	>100%	(0.46)	(0.32)	(44%)
-Adjusted weighted average number of shares ('000)	2,430,366	2,417,389		2,430,366	2,417,389	

The financial impact of the convertible notes was excluded from the calculation of the loss attributable to ordinary shareholders (diluted) for the year ended 31 December 2023 as their effect would have been anti-dilutive.

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

## 19. Net asset value

	Group			Company		
	31.12.2023 (S\$ cents)	31.12.2022 (S\$ cents)	+/- %	31.12.2023 (S\$ cents)	31.12.2022 (S\$ cents)	+/- %
Net asset value per ordinary share	17.03	15.25	12%	14.66	15.26	(4%)

## 20. Contingent liability

### Pending arbitration involving Investasia Sdn. Bhd.

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

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

## F Other information required by Listing Rule Appendix 7.2

### 1. Review

The condensed interim consolidated statements of financial position of GSH Corporation Limited and its subsidiaries as at 31 December 2023 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Between 22 May 2023 to 31 December 2023, the Company had allotted and issued 10,505,923 Conversion Shares to Bondholders at the Conversion Price, as announced in the Company's announcements dated 3 July 2023 and 2 January 2024.

As at 31 December 2023, up to 449,949,029 (31 December 2022: up to 460,454,952) new shares of the Company may be issued upon conversion of the Convertible Bonds that were issued by the Company on 12 October 2021.

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

#### **Profit and Loss**

Group revenue in 2H2023 increased by 150% to S\$110.4 million, generating an operating profit of S\$24.7 million (2H2022: operating loss of S\$1.5 million), and a net profit after tax of S\$4.7 million (2H2022: net loss after tax of S\$16.3 million).

On a segmental basis, the Group's property business posted a 332% increase in revenue to S\$77.3 million, with both the Group's property businesses in PRC and Malaysia registering an increase.

The Group's hospitality business continued to recover and posted a 53% increase in revenue to S\$30.4 million in 2H2023.

Other income in 2H2023 decreased by S\$7.2 million to S\$5.6 million. In 2H2022, a one-off S\$11.68 million was recognised in other income (see Note 16).

Selling and marketing expenses in 2H2023 increased by S\$2.8 million to S\$4.1 million, due mainly to higher sales and marketing expenses incurred in the Group's property business in PRC.

Administrative expenses in 2H2023 increased by S\$4.8 million to S\$16.3 million, due mainly to higher personnel expenses, maintenance and utilities expenses from the Group's hospitality segment in both PRC and Malaysia, as the Group's hospitality business continued to recover as mentioned above.

Finance expenses in 2H2023 rose by S\$2.0 million to S\$15.6 million, mainly attributed to higher interest rates.

### **Other Comprehensive Income**

In 2H2023, the Group recognised the revaluation gain on property, plant and equipment amounting to S\$93.4 million, as explained in Note 2. The adoption of revaluation model for golf course operating equipment, land and buildings of the Group, provided more relevant and timely information about the value of the assets to the user of financial statements.

### **Statement of Financial Position**

The increase in property, plant and equipment, from S\$422.0 million as at 31 December 2022 to S\$565.5 million as at 31 December 2023, was due mainly to the revaluation gain, as explained in Note 2.

The decrease in trade and other receivables, from S\$47.1 million as at 31 December 2022 to S\$37.4 million as at 31 December 2023, was mainly attributed to the decrease in trade receivables for the Eaton Residences project.

Provision had decreased by S\$10.86 million in 2H 2023, see Note 16.

The increase in total trade and other payables, from S\$90.1 million as at 31 December 2022 to S\$113.9 million as at 31 December 2023, was mainly attributed to the increase in accrued liabilities for the Group's PRC project (see note 15).

The decrease in total contract liabilities, from S\$48.0 million as at 31 December 2022 to S\$13.6 million as at 31 December 2023, was due mainly to the completion of first phase of the Group PRC's residential project in Chongqing, where the legal title had been transferred to the customer.

The increase in total loans and borrowings, from S\$484.0 million as at 31 December 2022 to S\$514.0 million as at 31 December 2023, was due mainly to new shareholder loans (see Note 6.2).

### **Cash Flow**

For the full year ended 31 December 2023, the Group's operating cash flow before working capital changes was S\$31.8 million. After adjusting for working capital changes, it recorded a net cash outflow from operating activities of S\$16.4 million.

The Group registered a net cash outflow from investing activities of S\$29.6 million, mainly due to the addition of property, plant and equipment of S\$30.6 million.

The Group recorded a net cash inflow from financing activities of S\$11.4 million, which was due mainly to the net proceeds from borrowings of S\$38.9 million offset with interest payment of S\$29.0 million.

Taking into consideration the Group's current assets which amounted to S\$648.5 million, and the Group's forecast of its cash flows, the Group has adequate financial resources to meet its current payment obligations as and when they fall due. These payment obligations will be financed from a combination of collections, new revenues, available undrawn loan facilities and proven fund raising through debt market (such as commercial papers). The current liabilities included shareholder loans of S\$100.24 million. These shareholder loans may be extended when they mature.

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

Not applicable.

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

The Group envisages that the widely expected stance from the US Federal Reserve – whether to hold or cut interest rates sometime in 2024 - is generally favourable to the Group's overall business dynamics.

**Hospitality Business Segment**

Tourism recovery in Malaysia continued to boost our Hospitality business, particularly our three hotels in Sabah and our Serviced Suites at Eaton Residences in Kuala Lumpur. During the year in review, these properties enjoyed improving demand and occupancy rates.

Meanwhile, China's softening economy has dampened tourism globally. However, the 30-day visa waiver for Chinese travellers entering Malaysia should be favourable to the Group's hospitality business in Malaysia.

**Property Business Segment**

The Group has seen an increase in interest from buyers from China for the Group's Malaysian properties since the reopening of travel between the two countries. In addition, the easing of requirements for the Malaysia My Second Home (MM2H) programme is expected to provide further upside for the Group's property business in Malaysia. However, it is envisaged that the real estate market in China to remain challenging.

**6. 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.**

**Property Business Segment**

As the first phase of Group's PRC project had completed and sold units were handed over in 2H2023, the property business segment registered an increase in turnover representing 62% of the Group's total revenue in FY2023 (FY2022: 48%).

**Hospitality Business Segment**

With the recovery of the hospitality industry, the Group's hospitality business registered an increase in revenue from S\$32.1 million in FY2022 to S\$53.5 million in FY2023. However, in terms of its contribution to the Group's total revenue, this segment posted a smaller percentage due to the larger increase in sales from the Group's property business segment. In FY2023, the hospitality business contributed 34% of total revenue (FY2022: 37%).



## 7. A breakdown of sales

	Group		Increase/ (Decrease) %
	Full Year Ended 31 December 2023 Unaudited S\$'000	2022 Audited S\$'000	
<b>First Half</b>			
Revenue reported for the first half year	46,255	41,850	10.5%
Loss after tax reported for the first half year	(12,989)	(5,331)	>100%
<b>Second Half</b>			
Revenue reported for the second half year	110,362	44,227	>100%
Profit/(loss) after tax reported for the second half year	4,707	(16,337)	>100%

## 8. If a decision regarding dividend has been made:-

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); *Current***

No

**(b) (i) *Amount per share***

None

**(ii) *Previous corresponding period***

None

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).**

Not Applicable

**(d) The date the dividend is payable**

Not Applicable

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not Applicable

**9. If no dividend have been declared/recommended, a statement to that effect and the reason(s) for the decision.**

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

**10. 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.

**11. 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.

**12. 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.

**On behalf of the BOD**

**Gilbert Ee Guan Hui**  
Chief Executive Officer

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

**BY ORDER OF THE BOARD**

**Lee Tiong Hock**  
Company Secretary  
27 February 2024