



## **GSH CORPORATION LIMITED**

# **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

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## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	The Group			The Group		
		2nd Half Year Ended 31 December			12 months Ended 31 December		
		31.12.2021 Unaudited S\$'000	31.12.2020 Unaudited S\$'000	+/- %	31.12.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000	+/- %
Revenue	4	56,031	54,426	3%	95,780	120,213	(20%)
Cost of Sales		(51,773)	(49,651)	4%	(89,507)	(97,176)	(8%)
<b>Gross profit</b>		4,258	4,775	(11%)	6,273	23,037	(73%)
Other net income		1,362	1,359	0%	2,767	3,202	(14%)
Selling and marketing expenses		(1,877)	(680)	>100%	(2,569)	(1,959)	31%
Administrative expenses		(8,871)	(10,433)	(15%)	(16,236)	(20,394)	(20%)
Other expenses		(6)	(62)	(90%)	(13)	(1,916)	(99%)
<b>Results from operating activities</b>		(5,134)	(5,041)	2%	(9,778)	1,970	Nm
Finance income		188	100	88%	576	2,020	(71%)
Finance expenses		(10,937)	(11,135)	(2%)	(20,705)	(20,428)	1%
<b>Net finance costs</b>	8	(10,749)	(11,035)	(3%)	(20,129)	(18,408)	9%
<b>Loss before tax</b>	6	(15,883)	(16,076)	(1%)	(29,907)	(16,438)	82%
Tax (expense)/ credit	7	(876)	997	Nm	774	603	28%
<b>Loss for the period</b>		(16,759)	(15,079)	11%	(29,133)	(15,835)	84%
<b>Loss attributable to:</b>							
Owners of the Company		(10,859)	(14,534)	(25%)	(20,972)	(14,139)	48%
Non-controlling interests		(5,900)	(545)	>100%	(8,161)	(1,696)	>100%
<b>Loss for the period</b>		(16,759)	(15,079)	11%	(29,133)	(15,835)	84%
<b>Other comprehensive income ("OCI"), net of tax</b>							
<b>Item that will not be reclassified to profit or loss:</b>							
Equity investments at fair value through OCI							
-net change in fair value		-	-	Nm	-	(5,006)	Nm
<b>Item that are or may be reclassified subsequently to profit or loss:</b>							
Debt investments at fair value through OCI							
- net change in fair value		-	64	Nm	138	(225)	Nm
- gain/ (loss) on derecognition reclassified to profit or loss		-	-	Nm	(783)	1,851	Nm
Exchange differences on monetary items forming part of net investments in a foreign operation		(200)	1,388	Nm	(2,816)	(813)	>100%
Foreign currency translation differences relating to foreign operations		2,362	3,933	(40%)	1,887	2,267	(17%)
Foreign currency translation differences on loss of significant influence reclassified to profit or loss		-	3,446	Nm	-	3,446	Nm
<b>Other comprehensive income, net of tax</b>		2,162	8,831	(76%)	(1,574)	1,520	Nm
<b>Total comprehensive income for the period</b>		(14,597)	(6,248)	>100%	(30,707)	(14,315)	>100%
<b>Total comprehensive income attributable to</b>							
Owners of the Company		(9,920)	(7,293)	36%	(24,417)	(14,146)	73%
Non-controlling interests		(4,677)	1,045	Nm	(6,290)	(169)	Nm
<b>Total comprehensive income for the period</b>		(14,597)	(6,248)	>100%	(30,707)	(14,315)	>100%

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		31.12.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000	31.12.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
<b>ASSETS</b>					
Property, plant and equipment	9	427,830	426,089	27,652	28,163
Investment property	10	4,557	4,472	-	-
Subsidiaries		-	-	56,825	28,291
Deferred tax assets		833	1,110	540	847
Other investments	11	-	15,739	-	15,739
<b>Non-current assets</b>		<b>433,220</b>	<b>447,410</b>	<b>85,017</b>	<b>73,040</b>
Development properties	12	549,880	412,603	-	-
Contract costs		4,164	14,690	-	-
Contract assets		52,434	21,254	-	-
Inventories	13	11,233	8,819	-	-
Trade and other receivables	14	34,756	69,357	589	1,087
Amounts due from related parties		671	567	545,440	558,807
Tax receivables		1,563	879	-	-
Time deposits		2,505	2,548	-	-
Cash and cash equivalents		71,048	81,666	30,963	997
<b>Current assets</b>		<b>728,254</b>	<b>612,383</b>	<b>576,992</b>	<b>560,891</b>
<b>Total assets</b>		<b>1,161,474</b>	<b>1,059,793</b>	<b>662,009</b>	<b>633,931</b>
<b>EQUITY</b>					
Share capital	15	343,458	343,458	343,458	343,458
Treasury shares		(5,580)	(5,580)	(5,580)	(5,580)
Reserves		(34,888)	(32,351)	908	645
Accumulated profits/ (losses)		45,661	66,633	(20,669)	(3,881)
<b>Equity attributable to equity holders of the Company</b>		<b>348,651</b>	<b>372,160</b>	<b>318,117</b>	<b>334,642</b>
Non-controlling interests		137,566	114,548	-	-
<b>Total equity</b>		<b>486,217</b>	<b>486,708</b>	<b>318,117</b>	<b>334,642</b>
<b>LIABILITIES</b>					
Trade and other payables	16	416	399	-	-
Contract liabilities		1,336	1,243	-	-
Loans and borrowings	17	314,754	247,552	203,271	107,933
Deferred tax liabilities		43,841	47,242	-	-
<b>Non-current liabilities</b>		<b>360,347</b>	<b>296,436</b>	<b>203,271</b>	<b>107,933</b>
Trade and other payables	16	85,055	73,733	3,121	1,605
Contract liabilities		20,235	3,549	-	-
Amounts due to related parties		37,198	37,703	15,507	44,905
Derivative financial liabilities		-	1,260	-	1,260
Loans and borrowings	17	172,360	160,027	121,933	143,526
Current tax liabilities		62	377	60	60
<b>Current liabilities</b>		<b>314,910</b>	<b>276,649</b>	<b>140,621</b>	<b>191,356</b>
<b>Total liabilities</b>		<b>675,257</b>	<b>573,085</b>	<b>343,892</b>	<b>299,289</b>
<b>Total equity and liabilities</b>		<b>1,161,474</b>	<b>1,059,793</b>	<b>662,009</b>	<b>633,931</b>

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of Company									
	Share capital S\$'000	Treasury Shares S\$'000	Asset		Capital reserves S\$'000	Fair value reserves S\$'000	Accumulated profits S\$'000	Total S\$'000	Non-controlling interest S\$'000	Total Equity S\$'000
			revaluation reserves S\$'000	Translation reserves S\$'000						
As at 1 January 2021	343,458	(5,580)	4,132	(37,128)	-	645	66,633	372,160	114,548	486,708
<b>Total comprehensive income for the year</b>										
Loss for the period	-	-	-	-	-	-	(20,972)	(20,972)	(8,161)	(29,133)
<b>Other comprehensive income:</b>										
Foreign currency translation differences relating to foreign operations	-	-	-	16	-	-	-	16	1,871	1,887
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(2,816)	-	-	-	(2,816)	-	(2,816)
Gain on derecognition of debt investment FVOCI reclassified from OCI to profit or loss	-	-	-	-	-	(783)	-	(783)	-	(783)
Net change in fair value:-										
debt investments at fair value through other comprehensive income	-	-	-	-	-	138	-	138	-	138
Total other comprehensive income, net of tax	-	-	-	(2,800)	-	(645)	-	(3,445)	1,871	(1,574)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(2,800)</b>	-	<b>(645)</b>	<b>(20,972)</b>	<b>(24,417)</b>	<b>(6,290)</b>	<b>(30,707)</b>
<b>Changes in ownership interests in subsidiaries</b>										
Capital injection in subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	29,308	29,308
<b>Total changes in ownership interests in a subsidiary</b>	-	-	-	-	-	-	-	-	<b>29,308</b>	<b>29,308</b>
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Issue of convertible bonds	-	-	-	-	908	-	-	908	-	908
<b>Total transactions with owners</b>	-	-	-	-	<b>908</b>	-	-	<b>908</b>	-	<b>908</b>
As at 31 December 2021	343,458	(5,580)	4,132	(39,928)	908	-	45,661	348,651	137,566	486,217

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)

Group	Note	Attributable to owners of Company						Non-controlling interest	Total Equity	
		Share capital	Treasury Shares	Asset revaluation reserves	Translation reserves	Fair value reserves	Accumulated profits			Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			S\$'000
<b>As at 1 January 2020</b>		<b>343,458</b>	<b>(5,131)</b>	<b>4,132</b>	<b>(40,501)</b>	<b>4,820</b>	<b>84,869</b>	<b>391,647</b>	<b>87,669</b>	<b>479,316</b>
<b>Total comprehensive income for the year</b>										
Loss for the period		-	-	-	-	-	(14,139)	(14,139)	(1,696)	(15,835)
<b>Other comprehensive income:</b>										
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 fair value through other comprehensive income		-	-	-	-	(5,006)	-	(5,006)	-	(5,006)
debt investments at fair value through other comprehensive income		-	-	-	-	(225)	-	(225)	-	(225)
Total other comprehensive income, net of tax		-	-	-	3,373	(4,175)	795	(7)	1,527	1,520
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,373</b>	<b>(4,175)</b>	<b>(13,344)</b>	<b>(14,146)</b>	<b>(169)</b>	<b>(14,315)</b>
<b>Changes in ownership interests in subsidiaries</b>										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	27,341	27,341
<b>Total changes in ownership interests in a subsidiary</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,341</b>	<b>27,341</b>
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Dividend paid	18	-	-	-	-	-	(4,892)	(4,892)	(293)	(5,185)
Purchase of treasury shares		-	(449)	-	-	-	-	(449)	-	(449)
<b>Total transactions with owners</b>		<b>-</b>	<b>(449)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,892)</b>	<b>(5,341)</b>	<b>(293)</b>	<b>(5,634)</b>
<b>As at 31 December 2020</b>		<b>343,458</b>	<b>(5,580)</b>	<b>4,132</b>	<b>(37,128)</b>	<b>645</b>	<b>66,633</b>	<b>372,160</b>	<b>114,548</b>	<b>486,708</b>

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)

The Company	Note	Share capital S\$'000	Treasury Share S\$'000	Capital reserves S\$'000	Fair value reserves S\$'000	Accumulated (losses)/profit S\$'000	Total S\$'000
<b>2021</b>							
As at 1 January 2021		343,458	(5,580)	-	645	(3,881)	334,642
<b>Total comprehensive income for the year</b>							
Loss for the period		-	-	-	-	(16,788)	(16,788)
<b>Other comprehensive income</b>							
Gain on decognition of debt investments FVOCI reclassified from OCI to profit or loss		-	-	-	(783)	-	(783)
Net change in fair value-							
debt investments at FVOCI		-	-	-	138	-	138
Total other comprehensive income, net of tax		-	-	-	(645)	-	(645)
<b>Total comprehensive income for the year</b>		-	-	-	<b>(645)</b>	<b>(16,788)</b>	<b>(17,433)</b>
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distribution to owners</b>							
Issue of convertible bonds		-	-	908	-	-	908
<b>Total contributions by and distributions to owners</b>		-	-	<b>908</b>	-	-	<b>908</b>
<b>As at 31 December 2021</b>		<b>343,458</b>	<b>(5,580)</b>	<b>908</b>	-	<b>(20,669)</b>	<b>318,117</b>
<b>The Company</b>							
As at 1 January 2020		343,458	(5,131)	-	4,820	4,645	347,792
<b>Total comprehensive income for the year</b>							
Loss for the period		-	-	-	-	(4,429)	(4,429)
<b>Other comprehensive income</b>							
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	-	-
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
Net change in fair value-							
equity investments at fair value through other comprehensive income		-	-	-	(5,006)	-	(5,006)
debt investments at fair value through other comprehensive income		-	-	-	(225)	-	(225)
Total other comprehensive income, net of tax		-	-	-	(4,175)	795	(3,380)
<b>Total comprehensive income for the year</b>		-	-	-	<b>(4,175)</b>	<b>(3,634)</b>	<b>(7,809)</b>
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distribution to owners</b>							
Dividend paid	18	-	-	-	-	(4,892)	(4,892)
Purchase of treasury shares		-	(449)	-	-	-	(449)
<b>Total contributions by and distributions to owners</b>		-	<b>(449)</b>	-	-	<b>(4,892)</b>	<b>(5,341)</b>
<b>As at 31 December 2020</b>		<b>343,458</b>	<b>(5,580)</b>	-	<b>645</b>	<b>(3,881)</b>	<b>334,642</b>

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

		<b>The Group</b>	
		<b>Full Year 2021</b>	
		<b>2021</b>	<b>2020</b>
		<b>Unaudited</b>	<b>Audited</b>
		<b>S\$'000</b>	<b>S\$'000</b>
	<b>Notes</b>		
<b>Cash flows from operating activities</b>			
Loss for the period		(29,133)	(15,835)
Adjustment for:			
Depreciation of property, plant & equipment	<b>6</b>	11,456	11,104
Interest expense	<b>8</b>	19,633	17,829
Interest income	<b>8</b>	(576)	(780)
(Reversal of allowance for)/ Allowance for inventories	<b>6</b>	(2)	5
Net loss on disposal of property, plant & equipment	<b>6</b>	(2)	10
(Reversal of allowance for)/ Allowance for trade receivables	<b>6</b>	(20)	76
Write-down of inventories	<b>6</b>	6,527	-
Net foreign exchange gain loss arising from revaluation of fixed deposit pledged		1	8
Debt investments at fair value through other comprehensive income – (Gain)/ Loss on derecognition reclassified from OCI	<b>6</b>	(783)	1,851
Change in fair value of investment property		-	150
Dividend income		-	(1,240)
Net change in fair value of financial derivatives	<b>6</b>	(1,260)	904
Tax credit	<b>7</b>	(774)	(603)
Operating cashflows before working capital changes		5,067	13,479
Change in			
Development properties		(139,086)	(56,878)
Contract costs		10,526	13,137
Contracts assets/liabilities, net		(14,401)	9,798
Inventories		(8,939)	1,066
Trade and other receivables		34,623	(2,523)
Trade and other payables		18,690	(4,102)
Balances with related parties		-	(602)
<b>Cash used in operations</b>		<b>(93,520)</b>	<b>(26,625)</b>
Tax paid, net		(2,713)	(6,529)
<b>Net cash used in operating activities</b>		<b>(96,233)</b>	<b>(33,154)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(26,362)	(28,253)
Proceeds from disposal of associated company		-	55,451
Acquisition of other investments		-	(16,615)
Proceeds from disposal of other investments		15,955	83,249
(Increase)/ decrease in deposits pledged		(3,367)	2,353
Uplift of bank deposits		43	5,716
Interest received		554	847
Dividend received		-	1,240
Proceeds from sale of property, plant and equipment		6	1
<b>Net cash (used in)/ from investing activities</b>		<b>(13,171)</b>	<b>103,989</b>
<b>Cash flows from financing activities</b>			
Capital contribution by non-controlling interest		29,308	27,340
Interest paid		(16,014)	(17,136)
Payment of lease liabilities		(758)	(780)
Proceeds from borrowings		243,051	211,531
Repayment of borrowings		(162,393)	(315,357)
Purchase of treasury shares		-	(449)
Dividends paid	<b>18</b>	-	(5,185)
<b>Net cash from/ (used in) financing activities</b>		<b>93,194</b>	<b>(100,036)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(16,210)</b>	<b>(29,201)</b>
Effect of exchange rate changes on balances held in foreign currencies		2,225	139
<b>Cash and cash equivalents at beginning of the period</b>		<b>51,488</b>	<b>80,550</b>
<b>Cash and cash equivalents at end of the period (Note A)</b>		<b>37,503</b>	<b>51,488</b>
<b>Note A: Cash and cash equivalents comprise:</b>			
Cash and cash equivalents in the statement of financial position		71,048	81,666
Less: fixed deposits and cash balances pledged		(33,545)	(30,178)
Cash and cash equivalents in the consolidated statement of cash flows		37,503	51,488
Time deposits		2,505	2,548
Cash and cash equivalents and time deposits		40,008	54,036

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

### **1. Corporate information**

GSH Corporation Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company is investment holding and provision of management services to its subsidiaries.

The principal activities of the Group are:

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

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

The condensed interim financial statements for the six months ended 31 December 2021 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 2020.

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

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

No new and amended standards adopted by the Group.

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

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

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

Information about 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 9 – Measurement of recoverable amounts of property, plant and equipment

Note 12 – Estimation of allowance for foreseeable losses 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 2021					2nd Half Ended 31 December 2020				
	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	10,026	32,121	13,884	1,406	57,437	7,918	8,553	37,955	1,772	56,198
Elimination of inter-segment revenue	-	-	-	(1,406)	(1,406)	-	-	-	(1,772)	(1,772)
External revenue	10,026	32,121	13,884	-	56,031	7,918	8,553	37,955	-	54,426
Interest income	51	106	7	24	188	(69)	105	45	19	100
Interest expense	(2,246)	(397)	(144)	(8,153)	(10,940)	(2,085)	(591)	-	(5,198)	(7,874)
Other material non-cash items:										
- Net change in fair value of financial derivatives	-	-	-	-	-	-	-	-	(461)	(461)
- Depreciation	(4,745)	(687)	(25)	(259)	(5,716)	(4,764)	(922)	(24)	(226)	(5,936)
- Write-down of inventories	-	-	(4,859)	-	(4,859)	-	-	-	-	-
Reportable segment profit/(loss) before tax	(4,127)	8,087	(8,128)	(11,715)	(15,883)	(6,805)	(2,246)	2,285	(9,310)	(16,076)
Tax credit/ (expense)	939	(1,588)	90	(317)	(876)	1,999	(1,309)	(540)	847	997
Reportable segment profit/(loss) after tax	(3,188)	6,499	(8,038)	(12,032)	(16,759)	(4,806)	(3,555)	1,745	(8,463)	(15,079)
Reportable segment assets	373,017	718,665	12,915	56,877	1,161,474	388,719	607,663	19,496	43,915	1,059,793
Reportable segment liabilities	(173,023)	(170,162)	(3,684)	(328,388)	(675,257)	(177,608)	(139,599)	(1,494)	(254,384)	(573,085)
Capital expenditure	275	22,865	1	3	23,144	4,417	22,549	2	4	26,972

\* Including general corporate activities

### Geographical Information

	Revenue 2nd Half Ended 31 Dec		Non-current assets** 2nd Half Ended 31 Dec	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Malaysia	42,147	16,471	365,985	379,987
China	13,884	37,955	36,712	20,457
Singapore	-	-	25,133	25,645
Middle East	-	-	4,557	4,472
Total	56,031	54,426	432,387	430,561

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

## 4.1 Reportable segment (cont'd)

	12 Months Ended 31 December 2021					12 Months Ended 31 December 2020				
	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	17,475	46,852	31,453	2,678	98,458	22,674	50,365	47,174	4,206	124,419
Elimination of inter-segment revenue	-	-	-	(2,678)	(2,678)	-	-	-	(4,206)	(4,206)
External revenue	17,475	46,852	31,453	-	95,780	22,674	50,365	47,174	-	120,213
Interest income	88	396	65	27	576	139	440	79	122	780
Interest expense	(4,487)	(1,130)	(144)	(13,872)	(19,633)	(4,999)	(1,578)	-	(11,252)	(17,829)
<u>Other material non-cash items:</u>										
- Net change in fair value of financial derivatives	-	-	-	1,260	1,260	-	148	-	(1,052)	(904)
- Depreciation	(9,482)	(1,409)	(49)	(516)	(11,456)	(8,966)	(1,544)	(46)	(546)	(11,102)
- Write-down of inventories	-	-	(6,527)	-	(6,527)	-	-	-	-	-
Reportable segment profit/(loss) before tax	(11,713)	10,519	(9,440)	(19,273)	(29,907)	(10,930)	10,936	2,372	(18,816)	(16,438)
Tax credit/ (expense)	2,571	(1,479)	(1)	(317)	774	3,201	(2,875)	(570)	847	603
Reportable segment profit/(loss) after tax	(9,142)	9,040	(9,441)	(19,590)	(29,133)	(7,729)	8,061	1,802	(17,969)	(15,835)
Reportable segment assets	373,017	718,665	12,915	56,877	1,161,474	388,719	607,663	19,496	43,915	1,059,793
Reportable segment liabilities	(173,023)	(170,162)	(3,684)	(328,388)	(675,257)	(177,608)	(139,599)	(1,494)	(254,384)	(573,085)
Capital expenditure	1,124	25,231	2	5	26,362	7,482	22,552	2	10	30,046

\* Including general corporate activities

## 4.2 Disaggregation of Revenue

	2nd Half Ended 31 December 2021				2nd Half Ended 31 December 2020			
	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Trading</u> S\$'000	<u>Total</u> S\$'000	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Trading</u> S\$'000	<u>Total</u> S\$'000
<b>Types of goods or service:</b>								
Hotel income	4,102	-	-	4,102	2,447	-	-	2,447
Golf club related income	2,295	-	-	2,295	2,174	-	-	2,174
Sales of goods	3,617	-	-	3,617	3,274	-	-	3,274
Sales of development properties	-	32,121	-	32,121	-	8,553	-	8,553
Others	12	-	-	12	23	-	-	23
Trading	-	-	13,884	13,884	-	-	37,955	37,955
	10,026	32,121	13,884	56,031	7,918	8,553	37,955	54,426
<b>Timing of revenue recognition:</b>								
Products transferred at a point in time	3,617	-	13,884	17,501	3,274	-	37,955	41,229
Products and services transferred over time	6,409	32,121	-	38,530	4,644	8,553	-	13,197
	10,026	32,121	13,884	56,031	7,918	8,553	37,955	54,426

	12 Months Ended 31 December 2021				12 Months Ended 31 December 2020			
	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Trading</u> S\$'000	<u>Total</u> S\$'000	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Trading</u> S\$'000	<u>Total</u> S\$'000
<b>Types of goods or service:</b>								
Hotel income	6,253	-	-	6,253	9,847	-	-	9,847
Golf club related income	4,426	-	-	4,426	4,944	-	-	4,944
Sales of goods	6,775	-	-	6,775	7,774	-	-	7,774
Sales of development properties	-	46,852	-	46,852	-	50,365	-	50,365
Others	21	-	-	21	109	-	-	109
Trading	-	-	31,453	31,453	-	-	47,174	47,174
	17,475	46,852	31,453	95,780	22,674	50,365	47,174	120,213
<b>Timing of revenue recognition:</b>								
Products transferred at a point in time	6,775	-	31,453	38,228	7,774	-	47,174	54,948
Products and services transferred over time	10,700	46,852	-	57,552	14,900	50,365	-	65,265
	17,475	46,852	31,453	95,780	22,674	50,365	47,174	120,213

## 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 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.

**Financial instruments****Accounting classifications & fair values**

	Carrying amounts					Fair Value			
	Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income (FVOCI)	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>									
<b>31 December 2021</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables *	-	33,595	-	-	33,595				
Amount due from related parties	-	671	-	-	671				
Time deposits	-	2,505	-	-	2,505				
Cash and cash equivalents	-	71,048	-	-	71,048				
	-	107,819	-	-	107,819				
<b>Financial liabilities measured at fair value</b>									
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables **	-	-	-	(84,599)	(84,599)				
Loans and borrowings <sup>@</sup>	-	-	-	(486,069)	(486,069)	-	(482,262)	-	(482,262)
Amounts due to related parties	-	-	-	(37,198)	(37,198)				
	-	-	-	(607,865)	(607,865)				
<b>31 December 2020</b>									
<b>Financial instruments measured at fair value</b>									
Debt investments at FVOCI	-	-	15,739	-	15,739	15,739	-	-	15,739
	-	-	15,739	-	15,739				
<b>Financial assets not measured at fair value</b>									
Trade and other receivables *	-	32,917	-	-	32,917				
Amount due from related parties	-	567	-	-	567				
Time deposits	-	2,548	-	-	2,548				
Cash and cash equivalents	-	81,666	-	-	81,666				
	-	117,698	-	-	117,698				
<b>Financial liabilities measured at fair value</b>									
Derivative financial liabilities	(1,260)	-	-	-	(1,260)	-	(1,260)	-	(1,260)
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables **	-	-	-	(54,272)	(54,272)				
Loans and borrowings <sup>@</sup>	-	-	-	(405,861)	(405,861)	-	(388,553)	-	(388,553)
Amounts due to related parties	-	-	-	(37,703)	(37,703)				
	-	-	-	(497,836)	(497,836)				

## Company

	Carrying amounts					Fair Value			
	Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income (FVOCI)	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>31 December 2021</b>									
<b>Financial assets measured at fair value</b>									
Debt investments at FVOCI	-	-	-	-	-	-	-	-	-
	-	-	-	-	-				
<b>Financial assets not measured at fair value</b>									
Trade and other receivables *	-	487	-	-	487				
Amounts due from related parties	-	545,440	-	-	545,440				
Cash and cash equivalents	-	30,963	-	-	30,963				
	-	576,890	-	-	576,890				
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables**	-	-	-	(3,055)	(3,055)				
Loans and borrowings @	-	-	-	(325,204)	(325,204)	-	(322,280)	-	(322,280)
Amounts due to related parties	-	-	-	(15,507)	(15,507)				
	-	-	-	(343,766)	(343,766)				
<b>31 December 2020</b>									
<b>Financial assets measured at fair value</b>									
Debt investments at FVOCI	-	-	15,739	-	15,739	15,739	-	-	15,739
	-	-	15,739	-	15,739				
<b>Financial assets not measured at fair value</b>									
Trade and other receivables *	-	939	-	-	939				
Amounts due from related parties	-	558,807	-	-	558,807				
Cash and cash equivalents	-	997	-	-	997				
	-	560,743	-	-	560,743				
<b>Financial liabilities measured at fair value</b>									
Derivative financial liabilities	(1,260)	-	-	-	(1,260)	-	(1,260)	-	(1,260)
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables**	-	-	-	(1,543)	(1,543)				
Loans and borrowings @	-	-	-	(251,459)	(251,459)	-	(238,409)	-	(238,409)
Amounts due to related parties	-	-	-	(44,905)	(44,905)				
	-	-	-	(297,907)	(297,907)				

\* Excludes advances to suppliers and prepayments

\*\* Excludes advance payments from customers and deferred income

@ Excludes lease liabilities

## 6. Loss before taxation

### 6.1 Significant items

	2nd Half Ended 31 December			Full Year Ended		
	31.12.2021	31.12.2020	+/-	31.12.2021	31.12.2020	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Audited S\$'000	%
<b>Income</b>						
Rental income	(393)	(394)	(0.3%)	(781)	(725)	7.8%
<b>Expenses</b>						
Personnel expenses inclusive of executive directors' remuneration	6,261	7,371	(15.1%)	12,995	17,614	(26.2%)
Depreciation of property, plant and equipment	5,716	5,936	(3.7%)	11,456	11,104	3.2%
Foreign exchange loss/(gain), net	(2)	2,800	Nm	2,332	1,695	37.6%
Write-down of inventories	4,859	-	Nm	6,527	-	Nm
(Reversal of allowance for)/ Allowance for inventories	(1)	6	Nm	(2)	5	Nm
(Reversal of allowance for)/ Allowance for trade receivables	(45)	62	Nm	(20)	76	Nm
Bad debts written off	3	1	>100%	6	1	>100%
Adjustment for over provision of tax in respective of prior years	(407)	(348)	17.0%	(610)	(348)	75.2%
Debt investments at fair value through other comprehensive income:						
- (Gain)/ loss on derecognition reclassified to profit or loss	-	-	Nm	(783)	1,851	Nm
Net change in fair value of financial derivatives	-	(1,347)	Nm	(1,260)	(904)	39.4%
Net loss on disposal of property, plant and equipment	(2)	6	Nm	(2)	10	Nm

Nm - Not meaningful

### 6.2 Related party transactions

The following significant transactions took place between the Group and related parties during the full year ended 31 December 2021:

Interest expense incurred on loans and borrowings related to the directors amounted to S\$3,089,000 (31 December 2020: S\$3,533,000).

## 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		
	31.12.2021	31.12.2020	+/-	31.12.2021	31.12.2020	+/-
	Unaudited S\$'000	Audited S\$'000	%	Unaudited S\$'000	Audited S\$'000	%
Current income tax expense	(128)	(1,317)	(90.3%)	(352)	(3,785)	(90.6%)
Deferred income tax expense relating to origination and reversal of temporary differences	(49)	3,859	Nm	2,466	5,933	(58.4%)
Withholding tax / China capital gain tax	(699)	(1,545)	(54.8%)	(1,340)	(1,545)	(13.3%)
	(876)	997	Nm	774	603	28.4%

Nm - Not meaningful

## 8. Net finance costs

	2nd Half Ended			12 Months Ended		
	31.12.2021	31.12.2020	+/-	31.12.2021	31.12.2020	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Interest income	188	100	88%	576	780	(26%)
Dividend income:						
- Equity investments - at fair value through other comprehensive income ("FVOCI")	-	-	Nm	-	198	(100%)
- Debt investments - at FVOCI	-	-	Nm	-	1,042	(100%)
Finance income	188	100	88%	576	2,020	(71%)
Financial liabilities measured at amortised cost - interest expense						
- bank and other loans	(8,942)	(6,952)	29%	(16,363)	(15,964)	2%
- lease liabilities	(296)	(337)	(12%)	(591)	(680)	(13%)
- Others	(179)	(175)	2%	(682)	(350)	95%
Amortisation of transaction costs previously capitalised	(1,523)	(410)	>100%	(1,997)	(835)	>100%
	(10,940)	(7,874)	39%	(19,633)	(17,829)	10%
Net change in fair value of financial derivatives	-	(461)	Nm	1,260	(904)	Nm
Net foreign exchange gain/ (loss)	3	(2,800)	Nm	(2,332)	(1,695)	38%
Finance costs	(10,937)	(11,135)	(2%)	(20,705)	(20,428)	1%
Net finance costs recognised in profit or loss	(10,749)	(11,035)	(3%)	(20,129)	(18,408)	9%

Nm - Not meaningful

## 9. Property, plant and equipment

During the full year ended 31 December 2021, the Group acquired assets amounting to S\$26,362 (31 December 2020: S\$30,046,000) and disposed of assets amounting to S\$4,000 (31 December 2020: S\$11,000).

The Group reviews the carrying amounts of the assets as at 31 December 2021 to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment and other long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group's financial condition and results of operations.

## 10. Investment Property

	Group	
	31.12.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
At 1 January 2021	4,472	4,694
Change in fair value	-	(150)
Effect of movements in exchange rates	85	(72)
At 31 December 2021	<u>4,557</u>	<u>4,472</u>

The Group has assessed the appropriateness of the fair values of investment property as at 31 December 2021, and there is no change in fair values in profit or loss.

## 11. Other Investments

	Group and Company	
	31.12.2021	31.12.2020
	Unaudited S\$'000	Audited S\$'000
<b>Non-current investments</b>		
Debt investments- at FVOCI	-	15,739
	-	15,739

The debt investments matured during 1H2021.

## 12. Development properties

	Group	
	31.12.2021	31.12.2020
	Unaudited S\$'000	Audited S\$'000
<b>Development properties for sale</b>		
Properties under development		
Land and land related costs	143,287	20,896
Development costs	210,338	178,493
	353,625	199,389
<b>Properties under development</b>		
Land and land related costs	205,498	214,080
Government grant utilised	(9,243)	(866)
	196,255	213,214
	549,880	412,603

### ***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.

## 13. Inventories

	Group	
	31.12.2021	31.12.2020
	Unaudited S\$'000	Audited S\$'000
Food and beverage	256	309
Spare parts and consumables	342	392
Merchandise	39	64
Trading goods	10,596	8,054
	11,233	8,819

**14. Trade and other receivables**

	Group		Company	
	31.12.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000	31.12.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
Trade receivables	16,470	23,990	11	7
Deposits	1,192	1,240	47	3
Interest receivables	63	128	-	-
Other receivables	15,870	7,559	429	929
	<u>33,595</u>	<u>32,917</u>	<u>487</u>	<u>939</u>
Advances to suppliers	466	2,867	-	40
Prepayments*	695	33,573	102	108
	<u>34,756</u>	<u>69,357</u>	<u>589</u>	<u>1,087</u>
Current	<u>34,756</u>	<u>69,357</u>	<u>589</u>	<u>1,087</u>
	<u>34,756</u>	<u>69,357</u>	<u>589</u>	<u>1,087</u>

\*Decrease due to the reclassification of the deposit of S\$32.6 million paid for the land tender exercise in Chongqing, China (which was recorded under Prepayments), to Development Properties, upon issuance of the land titles in 1H 2021.

**15. Share capital**

	Group and Company			
	31.12.2021		31.12.2020	
	Unaudited	Audited	Unaudited	Audited
	Number of shares	S\$'000	Number of shares	S\$'000
<b>Issued and fully paid ordinary shares</b>				
1 January 2021	1,977,036,050	343,458	1,977,036,050	343,458
Treasury shares	(20,102,500)	(5,580)	(20,102,500)	(5,580)
31 December 2021	<u>1,956,933,550</u>	<u>337,878</u>	<u>1,956,933,550</u>	<u>337,878</u>

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	
	31.12.2021	31.12.2020
	Unaudited S\$'000	Audited S\$'000
<b>Total loans and borrowings</b>	487,114	407,579
Attributable to owners of the Company	456,143	381,434
Attributable to non-controlling interests	30,971	26,145
<b>Less: Cash and cash equivalents and time deposit</b>	(73,553)	(84,214)
Attributable to owners of the Company	(69,426)	(63,263)
Attributable to non-controlling interests	(4,127)	(20,951)
<b>Net borrowings</b>	413,561	323,365
Attributable to owners of the Company	386,717	318,171
Attributable to non-controlling interests	26,844	5,194
<b>Total equity</b>	486,217	486,708
Attributable to owners of the Company	348,651	372,160
Attributable to non-controlling interests	137,566	114,548
Net debt equity ratio	0.85	0.66
Net debt equity ratio (excluding non-controlling interests)	1.11	0.85

There was no treasury shares movement from 1 January 2021 to 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at 31 December 2021.

## 16. Trade and other payables

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Trade payables	58,333	40,416	-	-
Accrued operating expenses	8,600	6,292	3,035	1,493
Provisions	11,464	5,383	-	-
Rental and other deposits	962	1,012	5	5
Other payables	5,240	1,169	15	45
	84,599	54,272	3,055	1,543
Advance payments from customers	164	981	-	-
Deferred income	708	18,879	66	62
	85,471	74,132	3,121	1,605
Non-current	416	399	-	-
Current	85,055	73,733	3,121	1,605
	85,471	74,132	3,121	1,605

Explanatory note:

- (i) Increase in Provisions was due mainly to the increase in provisions made for potential penalties for late commencement of construction, for one of the Group's projects in 1H2021. However, the Group obtained an indemnity from its joint venture partner for the project, against any such potential penalties, which resulted to a corresponding increase in Other Receivables under Note 14 above.
- (ii) Decrease in deferred income due to utilization of government grant during the year.

## 17. Loans and borrowings

	Group		Company	
	31.12.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000	31.12.2021 Unaudited S\$'000	31.12.2020 Audited S\$'000
<b>Amount repayable within one year or on demand</b>				
<b>Secured</b>				
Bank loans	91,011	57,331	40,895	41,611
Lease liabilities	66	147	-	-
	91,077	57,478	40,895	41,611
<b>Unsecured</b>				
Bank loans	1,213	51,976	1,213	51,976
Medium term notes	79,825	49,939	79,825	49,939
Lease liabilities	245	634	-	-
	81,283	102,549	81,038	101,915
	<b>172,360</b>	<b>160,027</b>	<b>121,933</b>	<b>143,526</b>
<b>Amount repayable after one year</b>				
<b>Secured</b>				
Bank loans	232,760	161,583	122,431	23,327
Lease liabilities	17	84	-	-
	232,777	161,667	122,431	23,327
<b>Unsecured</b>				
Bank loans	3,588	5,000	3,588	5,000
Medium term notes	-	79,606	-	79,606
Lease liabilities	717	853	-	-
Redeemable preference shares	420	426	-	-
Convertible bonds	77,252	-	77,252	-
	81,977	85,885	80,840	84,606
	<b>314,754</b>	<b>247,552</b>	<b>203,271</b>	<b>107,933</b>
<b>Total loans and borrowings</b>	<b>487,114</b>	<b>407,579</b>	<b>325,204</b>	<b>251,459</b>

### Details of any collateral

As at 31 December 2021, part of the Group's borrowings was secured by legal charges on the Group's development properties of S\$248.2 million (31 December 2020: S\$101.6 million), property, plant and equipment of S\$193.4 million (31 December 2020: S\$181.5 million), time deposits of S\$2.3 million (31 December 2020: S\$2.6 million) and cash and cash equivalents of S\$31.2 million (31 December 2020: S\$30.2 million).

**18. Dividends**

	<b>Group and Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Ordinary dividends paid:</b>		
Interim exempt 2021 dividend of nil per share	-	4,892
(2020: Interim exempt 2020 dividends of 0.25 cents per share)		
	-	4,892

**19. Earnings per ordinary share**

	2nd Half Ended 31 December			12 Months Ended 12 December		
	31.12.2021	31.12.2020	+/- %	31.12.2021	31.12.2020	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
i) Based on weighted average number of shares (cents)	(0.55)	(0.74)	25%	(1.07)	(0.72)	(48%)
-Weighted average number of shares ('000)	1,956,934	1,957,554		1,956,934	1,957,554	
ii) On a fully diluted basis (cents)	(0.45)	(0.74)	40%	(0.87)	(0.72)	(20%)
-Adjusted weighted average number of shares ('000)	2,417,389	1,957,554		2,417,389	1,957,554	

Nm - Not meaningful

**20. Net asset value**

	Group			Company		
	31.12.2021 (S\$ cents)	31.12.2020 (S\$ cents)	+/- %	31.12.2021 (S\$ cents)	31.12.2020 (S\$ cents)	+/- %
Net asset value per ordinary share	17.82	19.02	(6%)	16.26	17.10	(5%)

## **F Other information required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statements of financial position of GSH Corporation Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

As at 31 December 2021, up to 460,454,952 (31 December 2020: Nil) 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 for 2H2021 increased by 3% to S\$56.0 million, generating an operating loss of S\$5.1 million (2H2020: S\$5.0 million), and a net loss after tax of S\$16.8 million (2H2020: S\$15.1 million).

On a segmental basis, the Group's property business registered a 276% increase in revenue to S\$32.1 million, due to larger progressive sales recognised from Eaton Residences as the project had acquired a certificate of practical completion (CPC) in 2H2021.

The Group's hospitality segment posted a 27% increase in revenue of S\$10.0 million in 2H2021 as Malaysia had eased its movement control restrictions in Q4 2021.

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. Consequently, the administrative expenses decreased accordingly.

In 2H2021, the Group's frozen food trading business registered a 63% drop in revenue. Fresh pork price continued to decline (which correlates with the frozen pork price), which were mainly contributed by the over-supply situation in China and reduction in consumer demand due to the Covid-19 pandemic, in 2H2021. Correspondingly, the Group had marked to market its frozen pork and recognized an unrealized loss of S\$4.9 million as reflected in "Cost of Sales".

### **Balance Sheet**

The principal-protected debt investments, which were recorded as “Other Investments” in the balance sheet, matured in 1H 2021.

The increase in development properties and contract assets, from S\$433.9 million as at 31 December 2020 to S\$602.3 million as at 31 December 2021, was due mainly to the capitalization of land and land-related costs incurred for the Group’s property development projects in China.

The decrease in contract costs, from S\$14.7 million as at 31 December 2020 to S\$4.2 million as at 31 December 2021, was due to the amortization of capitalized costs upon recognition of property revenue in Malaysia.

The rise in inventories, from S\$8.8 million as at 31 December 2020 to S\$11.2 million as at 31 December 2021, was largely brought about by larger frozen pork inventories held, due to the situation as explained above.

The decrease in trade and other receivables, from S\$69.4 million as at 31 December 2020 to S\$34.8 million as at 31 December 2021, was mainly attributed to the reclassification of the deposit of S\$32.6 million paid for the land tender exercise in Chongqing, China (which was recorded under “Prepayments”), to Development Properties, upon issuance of the land titles in 1H 2021.

The increase in trade and other payables, from S\$74.1 million as at 31 December 2020 to S\$85.5 million as at 31 December 2021, was mainly in response to the commencement of construction in Chongqing project in China.

The increase in loans and borrowings, from S\$407.6 million as at 31 December 2020 to S\$487.1 million as at 31 December 2021, was due mainly to the issuance of convertible bonds in October 2021, which was recorded at S\$77.3 million as at 31 December 2021.

The increase in contract liabilities, from S\$4.8 million as at 31 December 2020 to S\$21.6 million as at 31 December 2021, was due mainly to the higher advances received from customers for our property projects.

### **Cash Flow Analysis**

For the full year ended 31 December 2021, the operating profit before working capital changes, was S\$5.1 million. However, after adjusting for working capital changes, the Group recorded a net cash outflow from operating activities of S\$96.2 million.

The Group registered a net cash outflow from investing activities of S\$13.2 million, which was due mainly to the purchase of property, plant and equipment of S\$26.4 million, offset by the proceeds received from divestment of Other Investments of S\$16.0 million.

The Group registered a net cash inflow from financing activities of S\$93.2 million, which was due mainly to the net borrowing proceeds of S\$80.7 million and capital contribution received from the non-controlling interest of S\$29.3 million, offset by interest payment of S\$16.0 million.

### **Use of Proceeds from The Rights Issue**

The Company refers to its announcements on 30 June 2021, 2 July 2021, 13 August 2021, 8 September 2021, 16 September 2021, 8 October 2021, 12 October 2021, 15 October 2021, 2 December 2021, and the offer information statement dated 16 September 2021 (the “Offer Information Statement”) issued by the Company in relation to the Rights Issue (as defined in the Offer Information Statement) (the “Right Issue”). Unless otherwise defined herein or the context otherwise requires, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Offer Information Statement.

Pursuant to Rule 704(30), the Company would like to announce that a further S\$6.9 million out of the net proceeds of S\$78.0 million raised from the Right Issue has been utilised between 1 December 2021 and 31 January 2022 as follows:

- a) S\$5.4 million for general working capital purpose, specifically for funding of the Company's subsidiaries' property development in Malaysia
- b) S\$1.6 million for repayment of existing loans and interest

The cumulative use of the proceeds is approximately S\$51.7 million for the period between 12 October 2021 and 31 January 2022. This comprised:

- a) repayment of shareholder's loan provided by Mr Sam Goi of S\$32.0 million
- b) S\$17.0 million for general working capital purpose, specifically for funding of the Company's subsidiaries' property development in China and Malaysia
- c) S\$2.7 million for repayment of existing loans and interest

Such use of proceeds is in accordance with the intended use of proceeds stated in the Offer Information Statement. The Company will make further periodic announcements as and when the remaining proceeds are materially disbursed.

**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.**

Buoyed by its high rate of vaccinations and boosters in the country, Malaysia's government advisory council has recently recommended to reopen the nation's borders to international visitors as early as March 2022, without requiring travelers to undergo compulsory quarantine. We believe that this will rejuvenate Malaysia's overall economy, particularly its tourism and hospitality industries. We are hopeful that this will foster a positive effect on our property business as well.

**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 Eaton Residences project obtained CPC in FY2021, the property business segment contributed 49% to the Group's revenue in FY2021 (FY2020: 42%).

**Hospitality Business Segment**

With the continued international border restrictions in Malaysia, the Group's hospitality business registered a decrease in revenue from S\$22.7 million in FY2020 to S\$17.5 million in FY2021, which resulted in the reduction of the segment's revenue contribution to 18% in FY2021. (FY2020: 19%).

**Trading Business Segment**

As explained under para 3, the Group's trading business posted a decrease in revenue from S\$47.2 million in FY2020 to S\$31.5 million in FY2021, which led to the decrease in the segment's revenue contribution to 33% in FY2021. (FY2020: 39%)

**7. A breakdown of sales**

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>Full Year Ended 31 December</b>		
	<b>2021 Unaudited S\$'000</b>	<b>2020 Audited S\$'000</b>	
<b><u>First Half</u></b>			
Revenue reported for the first half year	39,749	65,787	(39.6%)
Loss after tax reported for the first half year	(12,374)	(756)	>100%
<b><u>Second Half</u></b>			
Revenue reported for the second half year	56,031	54,426	2.9%
Loss after tax reported for the second half year	(16,759)	(15,079)	11.1%

**8. If a decision regarding dividend has been made:-****(a) Whether an interim (final) ordinary dividend has been declared (recommended);**

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.****9. If no dividend has 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  
25 February 2022**