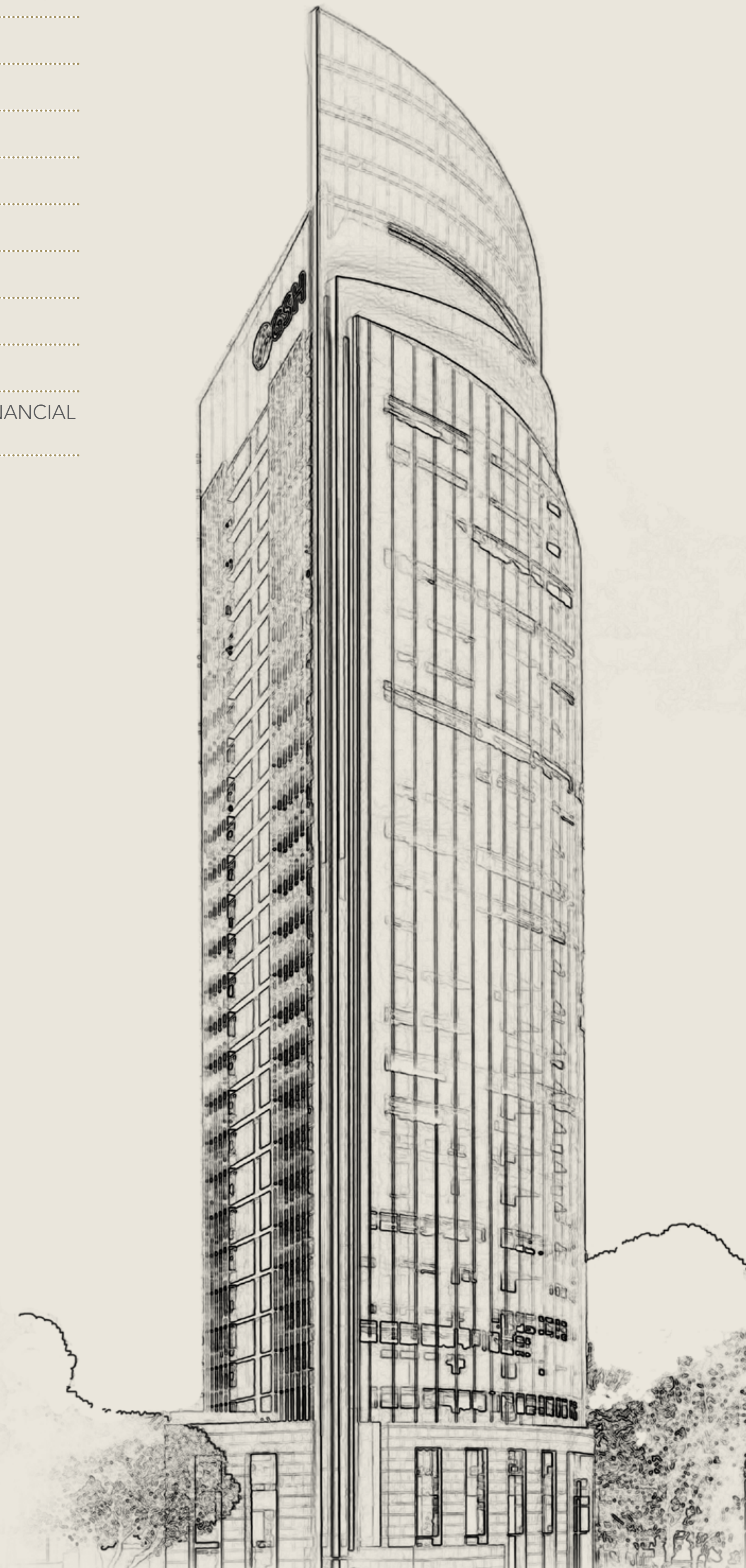
GSH CORPORATION LIMITED

CREATING

World Class Spaces

ANNUAL REPORT 2014

CONTENTS



CORPORATE PROFILE

Listed on the Mainboard of the Singapore Exchange, **GSH Corporation Limited** is a growing property developer in Southeast Asia, with three properties under development in Kuala Lumpur and Kota Kinabalu, Malaysia. It also owns the Sutera Harbour Resort in Kota Kinabalu, comprising two five-star hotels – the Pacific Sutera and Magellan Sutera Resort, a 104-berth marina and 27-hole championship golf course.

In June 2014, the Group led a consortium to acquire Equity Plaza, a landmark commercial property in the heart of Singapore's financial and business district, Raffles Place. Renamed GSH Plaza, the 28-storey building with 259 strata-titled office units was launched for sale in April 2015.

OUR MISSION

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

OUR VISION

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

OUR PROPERTY PORTFOLIO

HOSPITALITY

Sutera Harbour Resort

Nestled between the shores of the South China Sea and Mount Kinabalu, East Asia's tallest mountain, the Sutera Harbour Resort comprises two five-star hotels – the 500-room Pacific Sutera and 456-room The Magellan Sutera; the Sutera Harbour Marina, Golf and Country Club which has a 104-berth marina and an award-winning 27-hole championship GOLF COURSE designed by Graham Marsh. It also has 15 restaurants and bars, two grand ballrooms, 28 meeting rooms and a 100-seat auditorium for conventions, meetings and events.

The Resort is just 10 minutes by boat from the popular scuba diving destination of the Tengku Abdul Rahman Marine National Park. The 5 islands that make up the Marine Park boast crystal clear waters, abundant marine life and coral reefs. auditorium for conventions, meetings and events.

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

The Magellan Sutera Resort

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

Its Food & Beverage offering includes Five Sails, an all-day dining restaurant serving a wide selection of Malaysian and continental cuisine; world-class Italian fine-dining restaurant Ferdinands and the Al Fresco serving an extensive selection of pasta and wood-fired pizzas. There's also Muffinz for deli favourites and Tarik's Lobby Lounge.

The Pacific Sutera

Located just 10 minutes from Kota Kinabalu International Airport and minutes to the city centre, The Pacific Sutera Hotel has 500 deluxe rooms and suites offering panoramic views of the South China Sea or the greenery of the championship golf course.

Dining options include the Silk Garden – a Chinese restaurant specializing in Szechuan cuisine; Café Boleh which offers all-day dining, The Lobby Lounge, a pool bar, and a premier night spot in Kota Kinabalu.

Its Grand Ballroom can accommodate up to 1000 people in various configurations and is the perfect venue for corporate functions and weddings.

Sutera Harbour Marina, Golf & Country Club

Sutera Harbour Marina, Golf & Country Club features a 27-hole award-winning championship golf course designed by Graham Marsh with three distinct courses of varying difficulty levels, and a 41-bay covered driving range.

The Club also boasts a 104-beth marina that can accommodate 13 mega yachts and 91 smaller vessels.

PROPERTIES UNDER DEVELOPMENT


Artist's Impression


Artist's Impression

The Vista at Sutera
Located next to The Magellan Sutera Resort, Sutera Vista is a high-end ocean-front residential project with full condominium facilities.

The Group owns 67.5% of The Vista at Sutera project.

Site Area: 12.11 acres

The Point at Sutera
Located at the tip of the Sutera Harbour vicinity, Sutera Point is a high-end residential development offering a 360 degree view of the ocean and full condominium facilities.

The Group owns 75% of The Point at Sutera project.

Site Area: 13.12 acres

Artist's Impression

GSH Plaza

The 28-storey GSH Plaza, nestled in the heart of Singapore's Central Business District, has a total of 259 strata office units. It also has 2 floors of retail space for 8 shops and 13 food & beverage outlets.

Strategically placed at the junction of Church Street and Cecil Street, the Grade-A GSH Plaza is just a couple of minutes walk from Raffles Place MRT station and within easy reach of Telok Ayer MRT station, thereby connecting commuters to the East-West, North-South, Downtown and the future Thomson-East Coast MRT lines. It is also accessible to major expressways such as the Marina Coastal Expressway nearby. Being in the vicinity of luxury residences and a myriad of dining, entertainment, shopping and leisure hotspots, GSH Plaza reinforces the contemporary trend of work and play in urban living.

To be clad in a futuristic façade of steel and glass, the commercial building will be given a modern makeover, complete with a total revamp to its exterior and a reconfiguration of its interior spaces. Setting a new benchmark in the definitive look of business luxury, GSH Plaza will boast a lofty double-volume lobby with security access. Selected units will also have dedicated office entrances and lobbies to enhance privacy and prestige. The entire building will have advanced security systems and 24-hour CCTV surveillance.

The Group owns 51% of GSH Plaza.

Site Area: 2,177 square metres
Gross Floor Area: 33,123 square metres

Artist's Impression

Eaton Residences

Located along Embassy's Row in the heart of Kuala Lumpur, and minutes to KLCC Twin Towers and the uber-chic shopping district of Bukit Bintang, this residential project at Jalan Kia Peng will be developed into high-end service apartments with full condominium facilities.

The Group owns 100% of the Eaton Residences project.

Site Area: 1.44 acres

MESSAGE TO **SHAREHOLDERS**

"Within the next 18 to 24 months, we plan to launch two more properties which will transform our earnings profile"

Sam Goi
Executive Chairman

Dear Shareholders,

We bring you greetings, on behalf of our Board of Directors.

Real Estate Division
GSH had, on 25 June 2014, led a consortium to acquire a commercial building, Equity Plaza, for S$550 million, and we completed the purchase on 20 August 2014. Our intentions are to redevelop this into a top Grade A commercial building in Raffles Place and we have selectively engaged the best consultants to redesign and rebuild a flagship building, where our Corporate Headquarters will reside. It will be renamed GSH Plaza. The building will also have some 240 strata offices for sale. We have already, in the short 8 months since the acquisition, completed the redesign, secured the relevant approvals, and launched the sales of the 28-storey building in April 2015.

Concurrently, GSH Plaza will undergo an extensive refurbishment, involving a modern makeover of its exterior with a futuristic façade of steel and glass, and a reconfiguration of its interior spaces.

Within the next 18 to 24 months, we plan to launch two more properties - a premium residential project in the heart of Kuala Lumpur City Center (KLCC) and a prime ocean-front residential project, situated within the exclusive property of Sutera Harbour Resort in Kota Kinabalu.

The launch of these three property projects will provide new revenue streams to the Group and transform our earnings profile.

Dividend
We deeply appreciate our shareholders, especially those who have been with us over the years and supported the Group's transformation. It is for this reason that the Directors have declared the Group's maiden dividend, since diversifying into the property development business – as a token of our appreciation. This will amount to 0.05 cents per ordinary share. It also signals our confidence in the Group's future.

Financial Highlights
During the year in review, the Group posted net profit attributable to shareholders of S$58.4 million for the year ended 31 December 2014. This was achieved on the back of the Group's revenue of S$42.7 million, other operating income of S$12.2 million, as well as a non-recurring gain arising from a negative goodwill of S$65.9 million, which were largely contributed by the newly-acquired businesses of Sutera Harbour Resort Group in Kota Kinabalu and GSH Plaza in Singapore.

MESSAGE TO SHAREHOLDERS

"2015 is going to be an exciting watershed year for GSH."

Gilbert Ee
Chief Executive Officer

In the latest full-year results, the Group's earnings per ordinary share, based on the weighted average number of shares, surged to 0.59 cents, whilst net asset value per ordinary share increased by 15.1% to 3.81 cents, as at 31 December 2014. Cash and cash equivalents stood at S$131.1 million.

Moving ahead, 2015 is going to be an exciting watershed year for GSH. While we expect to see Sutera Harbour Resort in Kota Kinabalu recover from the slowdown in tourist arrivals from China, we are all geared up for various properties to be launched this year.

Refreshed corporate identity
With a new vision focusing on creating world-class real estate in Asia, GSH has had its corporate identify recently refreshed, in order to more effectively communicate these aspirations. With our stylised name, GSH (an acronym for Global Strategic Holdings), embodied as a globe to reflect the Group's aim to evolve with the dynamic global economic growth, and to reflect our aspirations to build a global brand, synonymous with world-class real estate. Our new corporate identity, presented in gold, accords value and distinction, and reinforces our role as a value creator for all of our stakeholders.

Proposed Share Consolidation
In response to the Singapore Exchange's minimum trading price requirement of 20 cents, expected to be in effect in 2016, the Directors are proposing a share consolidation on the basis of five existing ordinary shares, into one new consolidated share, as disclosed in our announcement on 4 March 2015. Apart from statutory compliance, we believe that by consolidating our shares, it will also help shareholders and investors to reduce their relative costs of trading in our shares.

Appreciation
Our new mission statement is to grow stakeholder value, by delivering premium real estates and services for the residential, commercial and hospitality markets in Asia and beyond. We believe that GSH is well positioned to capture the opportunities before us. We are grateful to all of you - our shareholders, customers, business partners, directors, management and staff - for your continued support, as we focus on enhancing shareholder value. We look forward to catching up with you at the upcoming AGM!

Sam Goi Seng Hui
Executive Chairman

Gilbert Ee Guan Hui
Chief Executive Officer

BOARD OF DIRECTORS

SAM GOI SENG HUI
Executive Chairman

Sam Goi Seng Hui was appointed as Non-Executive Chairman on 23 July 2012 and re-designated as Executive Chairman on 1 January 2014. Mr Goi is the Executive Chairman of Tee Yih Jia Group, a global food and beverage group with operations in Singapore, Malaysia, USA, Europe and China. In 2014, he was named Businessman of the Year by Singapore's Business Times and at the 49th National Day Awards, Mr Goi was conferred the Public Service Star (Bar) (L) – by the President of Singapore for his contributions to the community. Mr Goi was also conferred the State Award of Panglima Gemilang Darjah Kinabalu (PGDK), which carries the title of Datuk, from the Head of State of Sabah, for his social and business contributions to Kota Kinabalu. In 2015, he was awarded the SG50 Outstanding Chinese Business Pioneers Award.

Mr Goi has investments across a range of listed and private entities in numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics. Mr Goi also served on the board of three other Mainboard-listed companies – as Vice Chairman of Super Group Limited, Vice Chairman of Envictus International Hldgs Ltd, and Vice-Chairman of JB Foods Limited. He is also Enterprise 50 Club's Honorary Past President and Vice Chairman of IE Singapore's "Network China" Steering Committee, Regional Representative for Fuzhou City and Fujian Province, council member of the Singapore-Zhejiang Economic & Trade Council, as well as Senior Consultant to Su-Tong Science & Technology Park. He is currently the Honorary Council Member of the Singapore Chinese Chamber of Commerce and Industry, the Honorary Chairman for the International Federation of Fuqing Association, a member of the Singapore University of Technology and Design (SUTD) Board of Trustee, as well as the Chairman of Dunman High School Advisory Committee and Ulu Pandan Citizens Consultative Committee.

LEE CHOON HUI FRANCIS
Vice Chairman and
Independent Director

Lee Choon Hui Francis was appointed as our Non-Executive Vice Chairman and Independent Director, on 23 July 2012. He first joined the Board as an Independent Director in 2003. Following a reconstitution of the Board in 2008, he became Non-Executive Chairman of the Board and remained an Independent Director. To welcome and facilitate the appointment of Mr Goi Seng Hui as our new Non-Executive Chairman in 2012, Mr Lee voluntarily stepped down as Non-Executive Chairman and at the request of the new Non-Executive Chairman, assumed his present role.

Mr Lee practiced for many years as a corporate lawyer, then became a consultant in mergers and acquisitions. He is Chairman of Corporate Ventures Group, a boutique consultancy firm for mergers and acquisitions. Mr Lee also sits on the board of another listed company, Sunright Limited.

BOARD OF
DIRECTORS

EE GUAN HUI, GILBERT
Chief Executive Officer
and Executive Director

Ee Guan Hui, Gilbert was appointed our Chief Executive Officer and an Executive Director, on 1st May 2007. In this role, he is responsible for the day-to-day management of the Group and for formulating and implementing its strategic and business plans. Mr Ee was previously the Regional Head, Global Financial Markets, at Rabobank International, overseeing all Capital markets and Treasury activities. Prior to that, Mr Ee also held various management positions in Barclays Capital and Citibank. He is currently a Director of Solstice Investments Pte Ltd, Europlastik Sdn Bhd and Oxley JV Pte Ltd, Solstice Development Pte Ltd and S11 Group Co. Limited.

GOI KOK MING, KENNETH
Executive Director,
Business Development

Goi Kok Ming, Kenneth was appointed as Executive Director, Business Development on 23 July 2012. Mr Kenneth Goi is currently Executive Director of Acelink Logistics Pte Ltd, a supply chain company with distribution networks in Singapore, Malaysia, Thailand, Hong Kong and China, a position he has held since 1999. Apart from this, Mr Kenneth Goi also sits on the board of TYJ Group, a global food and beverage group with operations in Singapore, Malaysia, USA, Europe, China; and Mandarin Food Pte Ltd, a trading company with a network that spans across Australia and South East Asia. Mr Kenneth Goi also sits on the board of another listed company, Hanwell Holdings Limited. Mr Kenneth Goi is a member of the Community Development District Council, South East Region. He holds a bachelor degree in Computer Information System from California State University, Pomona.

BOARD OF **DIRECTORS**

Lee Hwee Khoon, Juliette was appointed as Non-Executive Director on 23 July 2012. Ms Lee is currently Executive Director of Tee Yih Jia Food Manufacturing Pte Ltd, a position she has held since 1992. With more than 30 years in the food industry, Ms Lee spearheaded the turnaround to profitability of Tee Yih Jia's Fuzhou brewery from 2000 – 2001 as its General Manager. Besides the food industry, she also sits on the Board of several property development Companies in the People's Republic of China. She also sat on the Board of Tung Lok Restaurants (2000) Ltd during the period 2007 to 2011. She holds a Masters In Business Administration BA (Strategic Management) from Maastricht School of Management.

LEE HWEE KHOON, JULIETTE
Non-Executive Director

Michael Grenville Gray was appointed as our Independent Director on 17 October 2007. Mr Gray has more than 30 years of extensive experience in professional advisory and audit practice, mostly in Southeast Asia. Prior to his retirement at the end of 2004, he was a partner in PricewaterhouseCoopers Singapore and, before that, Territorial Senior Partner for PricewaterhouseCoopers Indochina (Vietnam, Cambodia and Laos). He is an Independent Director and chairman of the Audit Committees of Singapore Exchange-listed Avi-Tech Electronics Limited, Ascendas Property Fund Trustee Pte Ltd and UK listed VinaCapital Vietnam Opportunity Fund Limited as well as Independent Director of Raffles Marina Holdings Ltd. Mr Gray has been a member of the Institute of Chartered Accountants in England and Wales (FCA) since 1976 and is Fellow of the Institute of Singapore Chartered Accountants and Fellow of the Singapore Institute of Directors. An active Singapore Citizen, Mr Gray has held positions in statutory boards, grassroots organisations and voluntary welfare organisations.

MICHAEL GRENVILLE GRAY
Independent Director

BOARD OF DIRECTORS

HUANG LUI
Independent Director

Huang Lui was appointed as our Independent Director on 23 August 2012. Ms Huang Lui has practiced for more than 40 years as a property and conveyancing lawyer. She deals with banking and corporate transactions, joint venture agreements, leasing of residential and commercial buildings, collective sale and REITS. Ms Huang Lui is fluent in written and spoken Mandarin holds a Master of Laws and a Bachelor of Laws (Hons) from the University of Singapore.

CORPORATE INFORMATION

BOARD OF DIRECTORS (BOD)

Mr. Sam Goi Seng Hui
Executive Chairman & CEO

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

Mr. Gilbert Ee Guan Hui
Group Chief Executive Officer

Mr. Kenneth Goi Kok Ming
Executive Director, Business Development

Ms. Juliette Lee Hwee Khoon
Non-Executive Director

Mr. Michael Grenville Gray
Independent Director

Ms. Huang Lui
Independent Director

AUDIT COMMITTEE

Mr. Michael Grenville Gray *(Chairman)*
Mr. Francis Lee Choon Hui
Ms. Huang Lui
Ms. Juliette Lee Hwee Khoon

REMUNERATION COMMITTEE

Mr. Francis Lee Choon Hui *(Chairman)*
Mr. Michael Grenville Gray
Ms. Huang Lui
Ms. Juliette Lee Hwee Khoon

NOMINATING COMMITTEE

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

COMPANY SECRETARY

Ms. Lynn Wan Tiew Leng
Ms. Jane Ng Tze Lee

SHARE REGISTRAR

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

AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Tel : (65) 6213 2823
Fax : (65) 6213 2230
Partner-In-Charge : Ms. Teo Han Jo
(Appointed in financial year ended 31 December 2014)

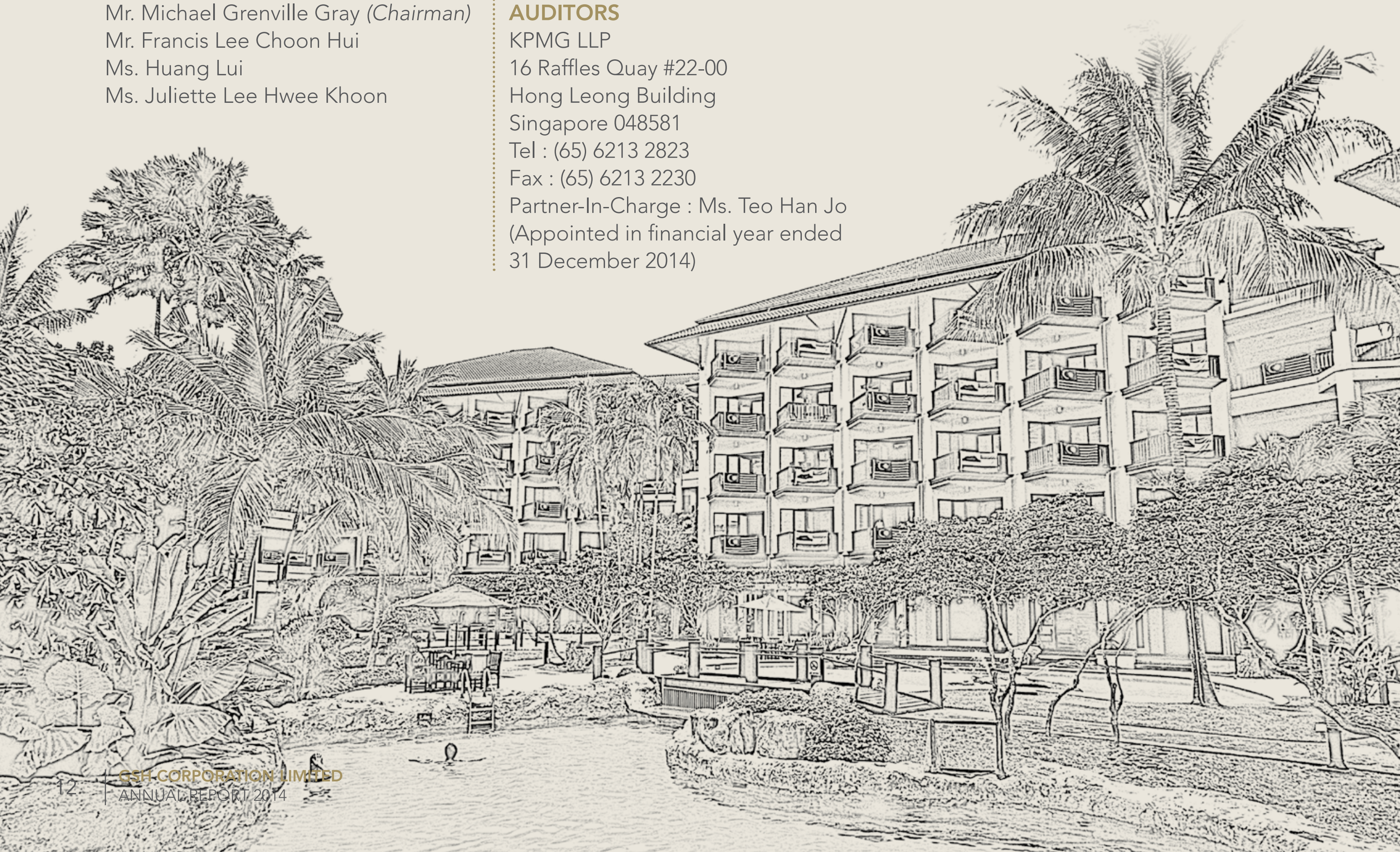
REGISTERED OFFICE:

GSH Centre
11 Changi North Way
Singapore 498796
Tel : (65) 6841 1000
Fax : (65) 6881 1000
www.gshcorporation.com

Company Registration Number:
200106139K

BANKERS:

Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
RHB Bank Singapore
Hong Leong Finance Limited



OUR FOOTPRINT

SINGAPORE

GSH Corporation Limited
11 Changi North Way
Singapore 498796
Tel : (65) 6248 5333
Fax : (65) 6881 1000

Plaza Ventures Pte Ltd
11 Changi North Way
Singapore 498796
Tel : (65) 6248 5333
Fax: (65) 6881 1000

MALAYSIA

Advanced Prestige Sdn Bhd
The Magellan Sutera Resort
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel : (60) 88 318 888
Fax : (60) 88 317 777

Eastworth Source Sdn Bhd
The Pacific Sutera
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel : (60) 88 318 888
Fax : (60) 88 317 777

Sutera Harbour Golf & Country Club Berhad
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel : (60) 88 318 888
Fax : (60) 88 317 777

City View Ventures Sdn Bhd
Correspondence address:
11 Changi North Way
Singapore 498796
Tel : (65) 6248 5333
Fax : (65) 6881 1000

Investasia Sdn Bhd
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel : (60) 88 318 888
Fax : (60) 88 317 777

Linyi Properties Sdn Bhd
1 Sutera Harbour Boulevard
Kota Kinabalu
88100 Sabah
Malaysia
Tel : (60) 88 318 888
Fax : (60) 88 317 777

GROUP
STRUCTURE

FINANCIAL
HIGHLIGHTS

Selected Group's Financial Data:

S$'000	FY2014	FY2013	% Variance
Revenue	**42,677**	-	>100%
Administrative expenses*	**(22,794)**	(6,295)	>100%
EBITA**	**11,617**	(5,189)	>100%
Profit/(loss) for the year	**57,549**	(1,530)	>100%

* Administrative expenses excluding amortisation and depreciation and net foreign exchange loss
** EBITA excluding net foreign exchange loss and gain on bargain purchase rising from business combination

Distribution Business
As at 31 December 2014, the Group divested its trading and distribution business and the income statement of the business is presented under discontinued operations for FY2014 and FY2013.

For the 12 months period ended 31 December 2014, the Group registered a net profit of S$0.1 million for its trading and distribution segment.

A non-recurring gain on disposal of the trading and distribution business of S$4.7 million, was recognised in the income statement.

Hospitality Business
The Group acquired 77.5% of the Sutera Harbour Resort Group and the acquisition was completed on 26 March 2014. A non-recurring gain on bargain purchase arising from business combination of S$65.9 million, was recognised in the income statement.

The hospitality business, which operates in Malaysia recorded a revenue of S$42.7 million, and registered a segment loss of S$1.4 million.

In general, tourist arrivals were affected by the MH370 incident and the spate of kidnappings in eastern Sabah, resulting in a drop in guests from China, affecting the overall occupancy of the two hotels.

Property Business
The property business is in the preliminary stages of development and has not contributed to revenue from the sale of properties. However, due to the rental income from GSH Plaza and leasehold building in Dubai, the segment registered an EBITA of S$3.2 million.

CORPORATE GOVERNANCE REPORT **AND FINANCIAL STATEMENTS**

CORPORATE
GOVERNANCE REPORT

The Board and management of GSH Corporation Limited ("GSH") believes that a genuine commitment to good corporate governance is essential to the future of the Company's business and performance. We are pleased to confirm that the Company has adhered to the principles and standards of the Singapore Code of Corporate Governance (the "Code").

1. Board of Directors

(a) Board Composition

The Board of Directors (the "Board") comprises 3 Non-Executive Independent Directors, 1 Non-Executive Non-Independent Director and 3 Executive Directors, namely:

Non-Executive Independent Directors
Francis Lee Choon Hui, Vice Chairman cum Lead Independent Director
Michael Grenville Gray
Huang Lui

Non-Executive Non-Independent Director
Juliette Lee Hwee Khoon

Executive Directors
Sam Goi Seng Hui, Executive Chairman (effective from 1 January 2014)
Gilbert Ee Guan Hui, Chief Executive Officer
Kenneth Goi Kok Ming, Executive Director

(b) Role of Chairman and Chief Executive Officer

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

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

- Determining and formulating operational policies and providing overall direction of the company, within policies laid down by the Board
- Translate the strategic directions stipulated by the Board, into tactical plans for operationalisation
- Overseeing operational activities led by the head of functions/divisions, to ensure it aligns with overall organizational objectives.

The responsibilities of the Chairman include those as set out in Guideline 3.2 of the Code together with the following:

- Providing leadership and strategic direction to GSH, so as to build and sustain a leading, reputable and high performing organisation in the industry
- Formulating GSH's vision and mission, to shape the existence, identity and direction of GSH, with the objective of building a stronger organisation

- Building relationships with key GSH stakeholders, to garner support for its strategic plans and establish strong partnerships

- Providing opportunities to grow senior leadership capabilities, to ensure a strong succession pipeline

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

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

The Board has on 27 February 2015 appointed Francis Lee Choon Hui as Lead Independent Director to comply with Guideline 3.3 of the Code. Shareholders of the Company are able to contact the Lead Independent Director if they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Group Financial Controller has failed to resolve or is inappropriate.

(c) Role of the Board of Directors

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

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

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

The Board's primary functions include:

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

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

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

(iv) Assuming responsibilities for good corporate governance practices;

(v) Approving quarterly announcements and annual announcements and financial statements;

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

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

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

To discharge its duties effectively and efficiently, and to allow for detailed consideration of issues, the Board has established three committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each committee has its own defined scope of duties and terms of reference, setting out the manner in which it is to operate and the functions for achieving its stated objectives. The compositions of the committees are as follows:

Directors	Audit Committee	Nominating Committee	Remuneration Committee
Francis Lee Choon Hui	Member	Member	Chairman
Gilbert Ee Guan Hui	-	Member	-
Juliette Lee Hwee Khoon	Member	-	Member
Michael Grenville Gray	Chairman	-	Member
Huang Lui	Member	Chairman	Member

The Board meets at least on quarterly basis and often, as warranted by particular circumstances. The Company's Articles of Association also provides for telephone conference and video conferencing meetings, which are relied upon when required.

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

DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

Financial Year Ended 31 December 2014

	Board Meeting		Audit Committee Meeting		Nominating Committee Meeting		Remuneration Committee Meeting	
	Number Held	Attendance	Number Held	Attendance	Number Held	Attendance	Number Held	Attendance
Name of Director								
Sam Goi Seng Hui (1)	4	4	NA	NA	NA	NA	NA	NA
Francis Lee Choon Hui	4	4	4	4	1	1	1	1
Gilbert Ee Guan Hui	4	4	NA	NA	1	1	NA	NA
Juliette Lee Hwee Khoon (2)	4	4	4	4	NA	NA	1	1
Michael Grenville Gray	4	4	4	4	NA	NA	1	1
Huang Lui	4	4	4	4	1	1	1	1
Ryo Kobayashi (3)	4	1	NA	NA	NA	NA	NA	NA
Kenneth Goi Kok Ming (4)	4	4	NA	NA	NA	NA	NA	NA

(1) Following the re-designation of Sam Goi Seng Hui as Executive Chairman, he resigned as a member of the Remuneration Committee, with effect from 1 January 2014, to comply with the composition mix for the Remuneration Committee, as recommended by the Code of Corporate Governance.

(2) Juliette Lee Hwee Khoon was appointed as a member of the Remuneration Committee, in place of Sam Goi Seng Hui, with effect from 1 January 2014.

(3) Ryo Kobayashi resigned as a Director with effect from 30 April 2014.

(4) Kenneth Goi Kok Ming resigned as a member of the Nominating Committee, with effect from 1 January 2014, to comply with the composition mix for the Nominating Committee as recommended by the Code.

Newly appointed Directors, if any, will receive comprehensive induction briefings and orientations, by the Executive Directors and Management, on the business activities, governance practices of the Group and its strategic decisions. The Directors participate in occasional seminars and are furnished with relevant information and updates on changes in laws and regulations relevant to the Group's businesses and operating environment, on a regular basis.

Internal guidelines and authority limits have been laid down, for Management to administer the Group's day-to-day operations. These guidelines and limits are reviewed by the Board from time to time, and adjusted when necessary. In addition, the Group has in place guidelines for approval of major capital and revenue expenditures and investments. The Board's approval is required beyond authorised amounts, specified for transactions, including but not limited to tender participation, financing activities, investments, purchase of fixed assets and disposal/write-off of assets. Other matters that require Board approval include appointments to the Board, business plans and strategies, the annual budget, material transactions, public announcements, and dividends to shareholders.

(d) Board Committees

To assist the Board in the execution of its duties, the Board has delegated specific functions to the Audit Committee, Nominating Committee and Remuneration Committee, in accordance with the Code of Governance.

Audit Committee

The Audit Committee ("AC") comprises Michael Grenville Gray, Francis Lee Choon Hui, Juliette Lee Hwee Khoon and Huang Lui. Aside from Juliette Lee Hwee Khoon, who is a Non-Executive Non-Independent Director, all the others are Non-Executive Independent Directors. The Chairman of the AC is Michael Grenville Gray.

The Board is of the view that the present members of the AC are appropriately qualified to discharge their responsibilities. The Board reviews the composition and effectiveness of the members of the AC from time to time.

The AC assists the Board in fulfilling its responsibilities to safeguard the Company's assets, to ensure that Management maintains requisite accounting records, and to develop and maintain effective systems of internal control.

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

The terms of reference of the AC include, *inter alia*, the following:

(i) Review of the Company's financial and operating results and accounting policies;

(ii) Review of the Company's internal audit processes and the external / internal auditors' reports;

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

(iv) Review of the co-operation given by the Management to the auditors;

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

(vi) Review of transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

(vii) Review of the re-appointment of the external auditors;

(viii) Review of the Company's significant financial reporting issues and judgments; and

(ix) Review of any formal announcements relating to the Company's financial performance.

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

The AC has in place a whistle-blowing policy by which employees of the Group and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC is satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow up action. A set of guidelines was reviewed by the AC and approved by the board and issued to assist the AC in managing allegations of fraud, or other misconduct, which may be made in line with the whistle-blowing policy. The Whistle-Blowing Committee comprises the AC Chairman and one Non-Executive Independent Director.

The AC meets with the external and internal auditors in each case, without the presence of management, at least once a year. The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the listing manual.

Quarterly financial statements and the accompanying announcements are reviewed by the AC, before presentation to the Board for approval, to ensure the integrity of the information to be released.

For details of the fees paid and/or payable by the Group in respect of audit and non-audit services for FY 2014, please refer to note 25 of the Notes to the Financial Statements.

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

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

Nominating Committee

The Nominating Committee ("NC") comprises Huang Lui, Francis Lee Choon Hui and Gilbert Ee Guan Hui. Huang Lui and Francis Lee Choon Hui are Non-Executive Independent Directors, whilst Gilbert Ee Guan Hui is an Executive Director. The Chairman of the NC is Huang Lui.

The NC has adopted, in its terms of reference, the criteria for determining the independence of a Director as set out in the Code, and will assess and review the independence of each Director, at least once a year. Each Independent Director is required to complete a Director's Independence Confirmation Form annually, to confirm his/her independence. The NC has ascertained that for the period under review, all Non-Executive Independent Directors are independent and that the Directors have devoted sufficient time and attention to the Group's affairs.

The NC considers an "Independent Director" as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independence and business judgment, with a view to the best interests of the Company.

The NC is primarily responsible for implementing a formal, transparent and objective procedure, for appointing Board members and for assessing the effectiveness of the Board as a whole, Board Committees and contributions by each individual Director, to the effectiveness of the Board.

The NC also has at its disposal, professional search firms, personal contacts and recommendations, in its search and nomination process for the right candidates for appointment of new Directors.

The NC has reviewed the training needs for the Directors and encouraged Directors to attend the relevant training courses that could enhance the knowledge of Directors to perform its duties as Directors of the Company.

The NC's principal functions are:

(i) To make recommendations to the Board, on all Board appointments;

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

(iii) To determine, at least annually, whether or not a Director is independent;

(iv) To decide whether or not a Director is able to, and has been adequately carrying out his duties as a Director of the Company; and

(v) To assess the effectiveness of the Board as a whole, the contribution by each individual Director to the effectiveness of the Board, and to decide how the Board's performance may be evaluated.

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

a) Integrity

b) Diversity – possess competencies that meet the Company's present needs

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

d) Independent mind

e) Experience

f) Financially literate

Pursuant to Article 91 of the Company's Articles of Association ("AA"), every Director shall retire from office once every three years, at each Annual General Meeting ("AGM"), and for this purpose, Kenneth Goi Kok Ming and Juliette Lee Hwee Khoon shall retire from office by rotation, at the upcoming AGM.

CORPORATE
GOVERNANCE REPORT

Pursuant to Section 153(6) of the Companies Act, no person of or over the age of 70 years, shall be appointed or act as a Director of a public company or of a subsidiary of a public company, subject to re-appointment by an ordinary resolution passed at an AGM of a company; and for this purpose, Huang Lui has offered to be re-appointed as a Director of the Company to hold office until the next AGM of the company, at the upcoming AGM.

The NC having satisfied itself that the above individual Directors, who are retiring pursuant to Article 91 of the Company's AA and re-appointment pursuant to Section 153(6) of the Companies Act, are competent to continue, the NC has recommended to the Board for consideration, the re-appointment of the individual Directors concerned, at the forthcoming AGM.

In the course of the year, the NC assessed the independence of Board members in light of Guideline 2.4 of the Code, which requires that the independence of any Director, who has served on the Board beyond nine years, from the date of first appointment, be subject to particularly rigorous review. Francis Lee Choon Hui has served on the Board for more than nine years since his first appointment as Director on 11 July 2003.

The NC recognises that an individual's independence cannot be determined arbitrarily on the basis of a set period of time. After particular scrutiny, Francis Lee Choon Hui is determined to be independent. He continues to express his viewpoints, debate issues and objectively scrutinize and challenge management. He also seeks clarification and amplification as deemed required in discharging his duties as an Independent Director. After careful consideration of the relevant factors and to avoid an abrupt loss of a member with experience and institutional memory, the Board has determined that the tenure of Francis Lee Choon Hui has not affected his independence or ability to bring judgment to bear, in his discharge of his duties as a Board and Committee member. In the determination of the independence of Francis Lee Choon Hui by the NC, Francis Lee Choon Hui had recused himself.

The NC considers that the multiple Board representations held presently by the Directors do not impede their performance in carrying out their duties to the Company, taking into account the results of the assessment of the effectiveness of the individual Director and his/her actual conduct on the Board. The NC has ascertained that for the period under review, the Directors were able to carry out and had been adequately carrying out their duties, as Directors of the Company.

Having considered the recommendation of the Code, the Board, at the recommendation of the NC, limits the maximum number of outside directorships of listed companies to six

The dates of first appointment and last re-election of each Director, together with their current and past preceding three years' directorship in other listed companies are set out below:

CORPORATE
GOVERNANCE REPORT

GSH CORPORATION LIMITED - Further Information on Board of Directors

Sam Goi Seng Hui
Executive Chairman
Date of first appointment as a Director: 23 July 2012
Date of last re-appointment as a Director: 26 April 2013

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
Nil	GSH Corporation Limited Acelink Logistics Pte Ltd Advanced Prestige Sdn Bhd Altheim International Limited China World Agents Limited Chinatown Food Corporation Pte Ltd Desaru Property Development Sdn Bhd Eastworth Source Sdn Bhd Envictus International Holdings Limited (Etika) Fujian Guanhui Food Enterprise Co Ltd Fujian Mingwei Food Enterprise Co Ltd Fujian Ryushobo Food Co Ltd G City Limited Guan Hui Food Enterprise Company Limited Hydrex International Pte Ltd Investasia Sdn.Bhd. JB Foods Ltd JSL Foods Inc Junhe Investment Pte Ltd Linyi Properties Sdn Bhd Main On Foods (USA) Corp Mainfield Holdings Limited Maker Food Manufacturing Pte Ltd Mewabumi Sdn Bhd Mxim Holdings Pte Ltd New Straits Holdings Pte Ltd Oregold Pte Ltd Plaza Ventures Pte Ltd Ragri Pte Ltd Ryushobo (S) Pte Ltd Singapore University of Technology and Design Sun Resources Holdings Pte Ltd Super Elite Holdings Pte Ltd Super Group Ltd Sutera Harbour Golf & Country Club Berhad Sutera Harbour Travel Sdn Bhd Sutera Harbour Resort Sdn Bhd	Bright Films Pte Ltd Dominion International Asia Ltd Eduplus Holdings Pte Ltd Eduplus Language Centre Jiangsu Care THW Real Estate Co., Ltd Jiangsu Hengshun Seasonings & Foods Co., Ltd Junhe Real Estate (Jiangsu) Co., Ltd Rediffusion (2012) Pte Ltd Smart Time Enterprise Limited Super Dragon Enterprises Limited Super Elite Group Limited TYJ Land Ltd Zhenjiang Gentle World Real Estate Co., Ltd

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
	T&T Gourmet Cuisine Pte Ltd Tan Kah Kee Foundation Tee Yih Jia Food Manufacturing Pte Ltd Tee Yih Jia Food Manufacturing Sdn Bhd The Little Shop Sdn Bhd The Sutera Harbour Group Sdn Bhd Tianjin Junhe Industrial Corporation Ltd Tianjin Junhe Investment Co Ltd Tung Lok Restaurants (2000) Ltd Twin Investment Pte Ltd TYJ Group Pte Ltd TYJ Holdings (HK) Ltd TYJ International Pte Ltd Xing Asia Impel Sdn. Bhd. Yangzhou Junhe Property Development Co Ltd Yangzhou Junhe Real Estate Co Ltd	

Francis Lee Choon Hui
Non-Executive Vice Chairman and Independent Director
Date of first appointment as a Director: 11 July 2003
Date of last re-appointment as a Director: 21 April 2014

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
Remuneration Committee (Chairman) Audit Committee Nominating Committee	GSH Corporation Limited Advanced Prestige Sdn Bhd Altheim International Limited Corporate Ventures Intl Ltd Corporate Ventures Pte Ltd Eastworth Source Sdn Bhd Mainfield Holdings Limited Phillip Enterprise Fund Limited PT. Hijau Lestari Raya Fibreboard PT. Toshiba Visual Media Network Indonesia Raffles Marina Holdings Ltd Raffles Marina Ltd Sunright Ltd Sutera Harbour Golf & Country Club Berhad Sutera Harbour Resort Sdn Bhd Sutera Harbour Travel Sdn Bhd The Little Shop Sdn Bhd The Sutera Harbour Group Sdn Bhd	IndoBizInfo Pte Ltd Singapore Gems & Metals Co. (Pte) Ltd

Gilbert Ee Guan Hui
Group Chief Executive Officer/Executive Director
Date of first appointment as a Director: 1 May 2007
Date of last re-appointment as a Director: 21 April 2014

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
Nominating Committee	GSH Corporation Limited Advanced Prestige Sdn Bhd Altheim International Limited Borneo Ventures Pte Ltd City View Ventures Sdn Bhd Eastworth Source Sdn Bhd Europlastik Sdn Bhd GSH (Middle East) Pte Ltd GSH (Xiamen) Investments Pte Ltd GSH (Xiamen) Property Development Pte Ltd GSH (Xiamen) Property Holdings Pte Ltd GSH Investments Limited GSH Properties (Malaysia) Pte Ltd GSH Properties Pte Ltd Investasia Sdn.Bhd. Linyi Properties Sdn Bhd Mainfield Holdings Limited Mewabumi Sdn Bhd MXIM Holdings Pte Ltd Ocean View Point Pte Ltd Ocean View Ventures Pte Ltd Oxley JV Pte Ltd Plaza Ventures Pte Ltd S11 Group Co. Limited SATCOM iCentre Ltd Solstice Development Pte Ltd Solstice Investments Pte Ltd Sutera Harbour Golf & Country Club Berhad Sutera Harbour Resort Sdn Bhd Sutera Harbour Travel Sdn Bhd The Little Shop Sdn Bhd The Sutera Harbour Group Sdn Bhd Xing Asia Impel Sdn. Bhd.	JEL Distribution S.Africa (Pty) Ltd JEL Corporation (Africa) Pte Ltd Serial I-Tech Strategic Holdings Franchising Pte Ltd JEL Trading (Bangladesh) Ltd GSH Distribution (Cambodia) Pte Ltd Serial I-Tech (Far East) Pte Ltd

Michael Grenville Gray
Non-Executive Independent Director
Date of first appointment as a Director: 17 October 2007
Date of last re-appointment as a Director: 21 April 2014

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
Audit Committee (Chairman) Remuneration Committee	GSH Corporation Limited Ascendas Property Fund Trustee Pte Ltd Asian Cruising Pte Ltd Avi-Tech Electronics Limited Raffles Marina Holdings Ltd TGY Property Investments Pte Ltd The Masonic Hall Board Ltd Tras Street Property Investment Ltd UON Singapore Pte Ltd VinaCapital Vietnam Opportunity Fund Limited	Grand Banks Yachts Limited Song Hin Sdn Bhd

Kenneth Goi Kok Ming
Executive Director
Date of first appointment as a Director: 23 July 2012
Date of last re-appointment as a Director: 26 April 2013

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
Nil	GSH Corporation Limited Acelink Logistics Pte Ltd Advanced Prestige Sdn Bhd Altheim International Limited Borneo Ventures Pte Ltd City View Ventures Sdn Bhd Eastworth Source Sdn Bhd GSH (Xiamen) Investments Pte Ltd GSH (Xiamen) Property Development Pte Ltd GSH (Xiamen) Property Holdings Pte Ltd GSH Properties (Malaysia) Pte Ltd GSH Properties Pte Ltd Hanwell Holdings Limited Investasia Sdn.Bhd. Junhe Investment Pte Ltd Linyi Properties Sdn Bhd Mainfield Holdings Limited Mandarin Food Manufacturing Pte Ltd Mewabumi Sdn Bhd MXIM Holdings Pte Ltd Ocean View Point Pte Ltd Ocean View Ventures Pte Ltd Plaza Ventures Pte Ltd	Interchamp F&B Pte Ltd Serial I-Tech Strategic Holdings Franchising Pte Ltd Serial I-Tech (Far East) Pte Ltd

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
	Super Elite Holdings Pte Ltd Sutera Harbour Golf & Country Club Berhad Sutera Harbour Resort Sdn Bhd Sutera Harbour Travel Sdn Bhd Tee Yih Jia Food Manufacturing Pte Ltd The Little Shop Sdn Bhd The Sutera Harbour Group Sdn Bhd Xing Asia Impel Sdn. Bhd	

Huang Lui
Non-Executive Independent Director
Date of first appointment as a Director: 23 August 2012
Date of last re-election as a Director: 21 April 2014

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
Nomination Committee (Chairman) Audit Committee Remuneration Committee	GSH Corporation Limited Dataquest Pte Ltd Super Plates Pte Ltd Wee Swee Teow & Co	Nil

Juliette Lee Hwee Khoon
Non-Executive Director
Date of first appointment as a Director: 23 July 2012
Date of last re-appointment as a Director: 26 April 2013

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
Audit Committee Remuneration Committee	GSH Corporation Limited Chinatown Food Corporation Pte Ltd City View Ventures Sdn Bhd Fujian Guanhui Food Enterprise Co Ltd Fujian Mingwei Food Enterprise Co Ltd Fujian Ryushobo Food Co Ltd G City Limited Guan Hui Food Enterprise Company Limited Honji Foods (2005) Pte Ltd Junhe Investment Pte Ltd Maker Food Manufacturing Pte Ltd Plaza Ventures Pte Ltd Ragri Pte Ltd Ryushobo (S) Pte Ltd Super Elite Holdings Pte Ltd	Dominion International Asia Ltd Eduplus Holdings Pte Ltd Junhe Real Estate (Jiangsu) Co., Ltd Oregold Pte Ltd Super Elite Group Limited Super Group Ltd Tung Lok Restaurants (2000) Ltd Xiamen I-Star Co., Ltd

Board Committee(s) served for the company	Current Directorship(s)	Directorship(s) ceased over the past 3 years (2012-2014)
	T&T Gourment Cuisine Pte Ltd Taste United Pte Ltd Tee Yih Jia Food Manufacturing Pte Ltd Tee Yih Jia Food Manufacturing Sdn Bhd Tianjin Junhe Industrial Corporation Ltd Tianjin Junhe Investment Co Ltd Twin Investment Pte Ltd TYJ International Pte Ltd Ultra Harmony Development Sdn Bhd Yangzhou Junhe Property Development Co Ltd	

Remuneration Committee

The Remuneration Committee ("RC") comprises Francis Lee Choon Hui, Juliette Lee Hwee Khoon, Michael Grenville Gray and Huang Lui. Aside from Juliette Lee Hwee Khoon, who is a Non-Executive Non-Independent Director, all the others are Non-Executive Independent Directors. The Chairman of the RC is Francis Lee Choon Hui.

The primary functions of the RC are to review and recommend the remuneration terms of individual Directors and key managers.

The principal functions of the RC are:

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

(ii) To determine specific remuneration terms for each Executive Director, the CEO, and other key managers;

(iii) To consider and approve salary and bonus recommendations in respect of key managers; and

(iv) To consider and recommend to the Board all aspects of remuneration for Directors, including but not limited to Directors' fees;

To assist the RC in its work and benchmarking exercises, the RC has again commissioned the HayGroup, as independent advisor, to review the Group's remuneration schemes and practices, and to advice on any changes thereto.

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

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

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

No Directors participate in decisions on their own remuneration.

The Company has entered into Service Agreement with Gilbert Ee Guan Hui, Chief Executive Officer (CEO) for a fixed period of three years, with effect from 1 May 2007; and thereafter renewable for fixed period of one year; Kenneth Goi Kok Ming, Executive Director, Business Development for a fixed period of three years, with effect from 1 September 2012, and thereafter renewable for a fixed period of one year, and Sam Goi Seng Hui, Executive Chairman for a fixed period of three years, with effect from 1 January 2014, and thereafter renewable for a fixed period of one year.

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

A breakdown showing the percentage mix of each individual Director's remuneration payable for financial year ended 31 December 2014 is as follows:

Between S$2,000,000 to S$2,250,000

Name of Director	Base Salary and Allowances %	Bonus %	Directors' Fee %	Total %
Sam Goi Seng Hui (Executive Chairman)	16.8%	83.2%	0.0%	100.0%

Between S$1,500,000 to $1,750,000

Name of Director	Base Salary and Allowances %	Bonus %	Directors' Fee %	Total %
Gilbert Ee Guan Hui (Chief Executive Officer)	21.0%	79.0%	0.0%	100.0%

Between S$250,000 to S$500,000

Name of Director	Base Salary and Allowances %	Bonus %	Directors' Fee %	Total %
Kenneth Goi Kok Ming (Executive Director)	67.8%	32.2%	0.0%	100.0%

Less than S$250,000

Name of Director	Base Salary and Allowances %	Bonus %	Directors' Fee %	Total %
Francis Lee Choon Hui (Non-Executive Vice Chairman / Lead Independent Director)	0.0%	0.0%	100.0%	100.0%
Juliette Lee Hwee Khoon (Non-Executive Director)	0.0%	0.0%	100.0%	100.0%
Michael Grenville Gray (Non-Executive Independent Director)	0.0%	0.0%	100.0%	100.0%
Huang Lui (Non-Executive Independent Director)	0.0%	0.0%	100.0%	100.0%

The remuneration of the Directors has been presented in the manner above taking into consideration the highly competitive industry conditions and the sensitivity and confidentiality of the remuneration matters.

The Board is of the view that it is not in the interests of the Company to disclose the remuneration of the top five key managers (who are not Directors) of the Company in this Report due to the sensitive and confidential nature of such information and disadvantages that this might bring.

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

Save for Sam Goi Seng Hui and Kenneth Goi Kok Ming, there are no employees who are immediate family members of the directors and whose remuneration exceeded S$50,000 during the financial year ended 2014.

2. Access to Information

Management has an obligation to supply the Board with complete, adequate information in a timely manner. The Company makes available to all Directors, its quarterly and full-year management accounts and where required, other financial statements and other relevant information, as necessary, so that the Directors can make informed decisions. Board papers and related materials, background, or explanatory information relating to matters to be brought before the Board, are sent out to the Directors before the meetings, to facilitate discussions during the meetings.

The Directors have separate and independent access to the management, including the Company Secretary of the Group, at all times. The appointment and the removal of the Company Secretary should be a matter for the Board as a whole.

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

3. Risk Management and Internal Controls

The Company does not have a Risk Management Committee, however risk management is also handled by the Audit Committee. The Board is overall responsible for the governance of risk within the Group. The Board evaluates the level of risk tolerance and the risk appetite of the Group and determines whether acceptable levels of risk are being taken in the pursuit of the strategic business objectives. Management also maintain a sound system of risk management and internal controls, to safeguard shareholders' interests and the company's assets, and recommend the nature and extent of the significant risks for the endorsement of the Board in the pursuit of the Group's strategic business objectives.

Management engaged RSM Ethos Pte Ltd ('RSM Ethos'), to independently facilitate the development of a Risk Governance Manual and development of a system of risk management which includes a process to assess risk. RSM Ethos had facilitated an Enterprise Risk Assessment to identify with Management, key risks for the Group that would impact the achievement of the Group's business objectives. The purpose of the risk assessment exercise was to highlight pertinent risks in strategic, operational, financial, regulatory compliance and IT areas, which would form the subsequent basis of the Group's risk management framework and manual. The risk management framework and manual will provide the architecture for managing risk across the Group and the guidelines for the risk management process, which would involve identifying, analyzing, evaluating, monitoring, treating and reporting risks, which are activities to be conducted as an in-house risk management function, on a continuing basis. The foundations of the Group risk management framework and risk assessment process are aligned with ISO:31000, a leading international standard on risk management.

Management are responsible for ensuring that the risk identified across the aforementioned five areas, are relevant to the business environment and that controls are either in place, or required to be developed, in order to mitigate these risks to the appropriate target risk levels. The Board of Directors reviews and approves policies and procedures for the management of these risks, which are executed by the Chief Executive Officer and the Group Financial Controller. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

In order to arrive at the basis for the opinion on the adequacy and effectiveness of risk management and internal controls, the Board, including the Audit Committee have evaluated the level of assurance required in accordance with the nature and complexity of the business. The Board arrives at this level of assurance through a review of the work performed by the external auditors, internal auditors and the results of the risk governance and risk assessment process. This has enabled the Board to assess the adequacy and effectiveness of the Group's key internal controls, including financial, operational and compliance controls and risk management. The internal controls have also been assessed in accordance with the COSO internal control framework which evaluates the key elements such as control environment, risk assessment, control activities, information and communication and monitoring activities. Any material non-compliance, or lapses in internal controls and recommendations for improvements, are reported to the Audit Committee. All required corrective, preventive, or measures for improvement, are closely monitored.

In compliance with Listing Rule 1207(10), the Board, with the concurrence of the AC, is of the opinion that the Company has a robust and effective internal control system and the system is adequate to address the financial, operational, compliance and information technology risks, based on the reports from the internal auditors, external auditors and the various management controls put in place.

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

The Board had received assurance from the CEO and Group Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

4. Internal Audit

The internal audit function has been outsourced to an independent professional firm, RSM Ethos. They report functionally to the Chairman of the AC and administratively to the CEO. The scope of the internal audit reviews is:

(i) To determine that internal controls are in place and functioning as intended;

(ii) To provide assurance that key business and operational risks are identified and managed;

(iii) To assess whether operations of the business processes under review are conducted efficiently and effectively;

(iv) To identify opportunities for improvement of internal controls.

The AC approves the hiring, removal, evaluation and compensation of the accounting/audit firm or corporation to which the internal audit function is outsourced. The Internal Auditors had unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

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

The AC reviews the adequacy and effectiveness of the internal audit function and together with the Board, they are satisfied that the internal auditors have adequate resources and appropriate standing, within the Group and the Company.

5. Shareholder Rights, Communications with Shareholders and Shareholders' Participation

The Company treats all shareholders fairly and equitably and recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update governance arrangements. Shareholders were informed of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares, via disclosures through SGXNET.

Shareholders had the opportunity to participate effectively in and vote at the general meetings of shareholders. Shareholders were informed of the rules, including voting procedures that govern general meetings of shareholders.

The Company's AA allows a shareholder to appoint one or two proxies, to attend and vote instead of the shareholder. The Company's AA currently does not allow a shareholder to vote in absentia. Shareholders who put shares through nominees are allowed upon prior request through their nominees, to attend the general meeting of shareholders as observers, without being constrained by the two-proxy rule.

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

Information is communicated to shareholders on a timely basis through:

(i) – annual reports that are prepared and issued to all shareholders;

(ii) – a summary of the financial information and affairs of the Group for each quarter and full year, that are published through the SGXNET; and

(iii) – notices and explanatory memoranda for annual general meetings and extraordinary general meetings.

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

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

Resolutions are, as far as possible, structured separately and may be voted on independently. Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution.

All minutes of general meetings are available to shareholders upon request. Resolutions are passed at the general meetings by hand and by poll, if required. As the number of shareholders who attend the meetings are not large, it is not cost effective to have all voting by poll, or by electronic polling. The results of all general meetings, are also announced through SGXNET on the same day.

6. Dealings in Securities

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

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

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

7. Interested Person Transactions ("IPT")

The Group has established procedures for recording, reporting and reviewing and approving, interested person transactions. Below are the IPT entered by the Group for the financial year ended 2014:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review	Aggregate value of all IPTs conducted during the financial year under review under the shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
TYJ Group Pte Ltd (please see Note (i) for further details)	S$73,000,000	Not applicable – the Group does not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual
TYJ Group Pte Ltd (please see Note (ii) for further details)	S$77,000,000	
Wee Swee Teow & Co (please see Note (iii) for further details)	S$186,000	

Notes:

i) Acquisition of Sutera Harbour Resort Sdn Bhd and its Group of Companies

On 26 March 2014, the Company's wholly owned subsidiary, Borneo Ventures Pte Ltd ("BVPL") entered into a joint investment of RM700 million (S$270 million) for a 77.5% stake in the Sutera Harbour Resort Sdn Bhd and its group of companies with the investment vehicle of its Executive Chairman, Sam Goi Seng Hui's TYJ Group Pte Ltd ("TYJ Group").

TYJ Group is wholly-owned and controlled by Sam Goi Seng Hui, who is a controlling shareholder of the Company and the Executive Chairman of the Board. Kenneth Goi Kok Ming, a director on the Board, is immediate family to Sam Goi Seng Hui under Chapter 9 of the SGX-ST Listing Manual. Accordingly, TYJ Group is deemed to be an "interested person" to the Group for purposes of Chapter 9 of the SGX-ST Listing Manual.

The joint investment of RM700 million (S$270 million) comprises of RM250 million (S$96 million) equity subscription of BVPL and RM450 million (S$174 million) cumulative preference redeemable shares ("CPRS") subscription (BVPL subscribed for RM260 million (S$100 million) CPRS and TYJ Group subscribed for RM190 million (S$73 million) CPRS). The RM260 million (S$100 million) CPRS subscription will hence be deemed as an Interested Person Transaction.

ii) Incorporation of Plaza Ventures Pte Ltd and proposed acquisition of Equity Plaza

On 23 June 2014, GSH Properties Pte Ltd ("GSH Properties") a wholly owned subsidiary of the Company incorporated a 51% owned subsidiary, Plaza Ventures Pte Ltd ("Plaza Ventures") with (i) TYJ Group and (ii) Vibrant DB2 Pte Ltd ("Vibrant"). TYJ Group and Vibrant each hold 14% and 35% of the shares in Plaza Ventures respectively.

On 25 June 2014, Plaza Ventures and DL Properties Ltd ("DL Properties") entered into a Sale and Purchase Agreement for the purchase of Equity Plaza for an aggregate purchase consideration of S$550 million.

In accordance with the Chapter 9 of the SGX-ST Listing Manual, the entity at risk here refers to Plaza Ventures while the interested person refers to TYJ Group. As such, this joint venture constitutes a transaction between an interested person and an entity at risk and accordingly be deemed an Interested Person Transaction under Chapter 9 of the Listing Manual.

iii) Shareholder agreement between GSH Properties, TYJ and Vibrant and Sale and Purchase agreement between Plaza Ventures and DL Properties (the "Agreement")

Wee Swee Teow Co was appointed to advise the Company on the Agreement. The cost of the legal services amounted to S$186,000.

In accordance with the Chapter 9 of the SGX-ST Listing Manual, the entity at risk here refers to Plaza Ventures while the interested person refers to Wee Swee Teow & Co as Huang Lui is a partner in the firm and also as an independent director of the Company.

8. Material Contracts

Save for the service agreements between the Executive Directors and the Company, there were no material contracts of the Company or its subsidiaries, involving the interest of the Chief Executive Officer or any Director or controlling shareholders, subsisting at the end of the financial year ended 2014.

9. Cash Raised By The Company From The Issue Of Securities In The Past Two Years

Status on the use of proceeds raised from the issue of securities in the past two years

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Type of Securities Issued</th><th rowspan="2">Net Proceeds Raised (S$ 'million)</th><th colspan="2">Intended Use</th><th rowspan="2">Proceeds Used (S$ 'million)</th></tr>
<tr><th>Description</th><th>(S$ 'million)</th></tr>
<tr><td>10-Jul-12</td><td>Issue of Subscription</td><td>13.8</td><td>Working Capital</td><td>5.8</td><td>5.8*</td></tr>
<tr><td>07-Mar-13</td><td>Issue of Subscription</td><td>37.5</td><td rowspan="2">Property and Construction Businesses</td><td rowspan="2">292.3</td><td rowspan="2">292.3**</td></tr>
<tr><td>03-Jun-13</td><td>Rights Issue</td><td>246.8</td></tr>
<tr><td></td><td></td><td>298.1</td><td></td><td>298.1</td><td>298.1</td></tr>
</table>

* - Proceeds was used entirely for the purchase of inventories

** - S$73.1m was invested in Malaysia and Singapore property development projects. S$219.2m was used for the Sutera Harbour Resorts Group and Sutera Harbour land parcels acquisition/investment.

The proceeds were used for the intended purposes.

DIRECTORS' **REPORT**

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2014.

Directors

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

Sam Goi Seng Hui
Francis Lee Choon Hui
Gilbert Ee Guan Hui
Huang Lui
Juliette Lee Hwee Khoon
Kenneth Goi Kok Ming
Michael Grenville Gray

Directors' interests

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

	Direct interest	
Name of director	**At beginning of the year**	**At end of the year**
The Company		
Ordinary shares		
Sam Goi Seng Hui	4,592,769,976	4,677,799,976
Gilbert Ee Guan Hui	788,147,392	788,147,392

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2015.

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

During the financial year, the Company and its related corporations have in the normal course of business entered into transactions with companies in which a director of the Company has financial interest. Such transactions comprised of professional fees carried out on normal commercial terms as set out in note 32 to the financial statements.

DIRECTORS' **REPORT**

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 32 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

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

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

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

Audit Committee

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

Michael Grenville Gray (Chairman), non-executive independent director
Francis Lee Choon Hui, non-executive lead independent director
Juliette Lee Hwee Khoon, non-executive independent director
Huang Lui, non-executive independent director

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

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

The Audit Committee also reviewed the following:

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

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

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

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

DIRECTORS' **REPORT**

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

In appointing our auditors of the Company, subsidiaries and significant associates, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

At the Annual General Meeting held on 21 April 2014, KPMG LLP were appointed as auditors of the Company. The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Gilbert Ee Guan Hui
Director

Kenneth Goi Kok Ming
Director

27 March 2015

STATEMENT BY
DIRECTORS

In our opinion:

(a) the financial statements set out on pages 43 to 116 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

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

On behalf of the Board of Directors

Gilbert Ee Guan Hui
Director

Kenneth Goi Kok Ming
Director

27 March 2015

INDEPENDENT AUDITORS' **REPORT**

Members of the Company GSH Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of GSH Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 116.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' **REPORT**

Members of the Company GSH Corporation Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Other matter

The financial statements for the year ended 31 December 2013 were audited by another firm of Chartered Accountants whose report dated 14 March 2014 expressed on unmodified opinion on those financial statements.

Report on other legal and regulatory requirements

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2015

STATEMENTS OF
FINANCIAL POSITION
As at 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000 *Re-presented	Group 2012 $'000 *Re-presented	Company 2014 $'000	Company 2013 $'000 *Re-presented	Company 2012 $'000 *Re-presented
ASSETS							
Property, plant and equipment	4	449,685	5,229	4,299	157	–	–
Investment property	5	5,370	–	–	–	–	–
Subsidiaries	6	–	–	–	193	193	193
Associate	7	–	8	8	–	–	–
Deferred tax assets	8	–	182	182	–	–	–
Non-current assets		455,055	5,419	4,489	350	193	193
Other investments	9	–	8	576	–	–	569
Development property	10	767,827	–	–	–	–	–
Inventories	11	1,051	8,262	10,934	–	–	–
Trade and other receivables	12	17,931	44,836	8,432	11,590	2,677	1,206
Amounts due from related parties	13	–	–	–	262,978	345,563	68,413
Cash and cash equivalents	14	385,887	486,913	15,352	312,442	260,957	28
Current assets		1,172,696	540,019	35,294	587,010	609,197	70,216
Total assets		1,627,751	545,438	39,783	587,360	609,390	70,409
EQUITY							
Share capital	15	343,458	343,458	50,552	343,458	343,458	50,552
Reserves	16	(4,462)	4,780	3,775	–	–	–
Accumulated profits/(losses)		37,439	(20,957)	(19,427)	(21,894)	(30,842)	(31,375)
Equity attributable to owners of the Company		376,435	327,281	34,900	321,564	312,616	19,177
Non-controlling interests		90,384	–	–	–	–	–
Total equity		466,819	327,281	34,900	321,564	312,616	19,177

* See note 2.3 – change in presentation currency

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

STATEMENTS OF
FINANCIAL POSITION

As at 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000 *Re-presented	Group 2012 $'000 *Re-presented	Company 2014 $'000	Company 2013 $'000 *Re-presented	Company 2012 $'000 *Re-presented
LIABILITIES							
Loans and borrowings	17	688,099	29	52	6	–	–
Amounts due to related parties	13	19,787	–	–	–	–	–
Deferred tax liabilities	8	67,508	–	–	–	–	–
Non-current liabilities		775,394	29	52	6	–	–
Trade and other payables	18	28,623	3,210	2,944	4,195	1,008	755
Loans and borrowings	17	270,882	214,242	1,709	254,025	211,330	–
Amounts due to related parties	13	84,712	–	–	7,136	83,934	50,474
Derivative financial liabilities	19	434	502	–	434	502	–
Current tax liabilities		887	174	178	–	–	3
Current liabilities		385,538	218,128	4,831	265,790	296,774	51,232
Total liabilities		1,160,932	218,157	4,883	265,796	296,774	51,232
Total equity and liabilities		1,627,751	545,438	39,783	587,360	609,390	70,409

* See note 2.3 – change in presentation currency

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

Year ended 31 December 2014

	Note	2014 $'000	2013 $'000 *Re-presented
Continuing operations			
Revenue	20	42,677	–
Cost of sales		(26,223)	–
Gross profit		16,454	–
Other income	21	78,153	1,179
Selling and marketing expenses, net		(1,844)	(42)
Administrative expenses		(27,928)	(6,490)
Other expenses		(1,078)	(31)
Results from operating activities		63,757	(5,384)
Finance income		2,381	1,782
Finance expenses		(11,289)	–
Net finance costs	22	(8,908)	1,782
Profit/(Loss) before tax		54,849	(3,602)
Tax expense	23	(2,054)	(8)
Profit/(Loss) from continuing operations		52,795	(3,610)
Discontinued operation			
Profit from discontinued operation (net of tax)	24	4,754	2,080
Profit/(Loss) for the year	25	57,549	(1,530)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		–	1,007
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences relating to foreign operations		(9,952)	(2)
Foreign currency translation differences realised on disposal of subsidiaries		136	–
Capital reserve realised on disposal of subsidiaries		(784)	–
		(10,600)	(2)
Other comprehensive income, net of tax**		(10,600)	1,005
Total comprehensive income for the year		46,949	(525)

* See note 2.3 – change in presentation currency

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

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

Year ended 31 December 2014

	Note	2014 $'000	2013 $'000 *Re-presented
Profit/(Loss) attributable to:			
Owners of the Company		58,396	(1,530)
Non-controlling interests		(847)	–
Profit/(Loss) for the year		57,549	(1,530)
Total comprehensive income attributable to:			
Owners of the Company		49,154	(525)
Non-controlling interests		(2,205)	–
Total comprehensive income for the year		46,949	(525)
Earnings per share			
Basic and diluted earnings per share (cents)	26	0.59	(0.02)
Earnings per share - continuing operations			
Basic and diluted earnings per share (cents)	26	0.54	(0.05)

* See note 2.3 – change in presentation currency

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

Year ended 31 December 2014

	Note	Share capital $'000	Capital reserve $'000	Asset revaluation reserve $'000	Translation reserve $'000	Accumulated losses $'000	Total equity $'000
		Attributable to owners of the Company					
At 1 January 2013*		50,552	784	3,125	(134)	(19,427)	34,900
Total comprehensive income for the year							
Loss for the year		–	–	–	–	(1,530)	(1,530)
Other comprehensive income							
Foreign currency translation differences relating to foreign operations		–	–	–	(2)	–	(2)
Revaluation of property, plant and equipment		–	–	1,007	–	–	1,007
Total other comprehensive income, net of tax		–	–	1,007	(2)	–	1,005
Total comprehensive income for the year		–	–	1,007	(2)	(1,530)	(525)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares, net of expenses	15	292,906	–	–	–	–	292,906
Total transactions with owners		292,906	–	–	–	–	292,906
At 31 December 2013		343,458	784	4,132	(136)	(20,957)	327,281

* See note 2.3 – change in presentation currency

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

Year ended 31 December 2014

	Attributable to owners of the Company							
	Share capital $'000	Capital reserves $'000	Asset revaluation reserve $'000	Translation reserve $'000	Accumulated (losses)/ profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2014	343,458	784	4,132	(136)	(20,957)	327,281	–	327,281
Total comprehensive income for the year								
Profit for the year	–	–	–	–	58,396	58,396	(847)	57,549
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	–	–	–	(8,594)	–	(8,594)	(1,358)	(9,952)
Foreign currency translation differences realised on disposal of subsidiaries	–	–	–	136	–	136	–	136
Capital reserve realised on disposal of subsidiaries	–	(784)	–	–	–	(784)	–	(784)
Total other comprehensive income, net of tax	–	(784)	–	(8,458)	–	(9,242)	(1,358)	(10,600)
Total comprehensive income for the year	–	(784)	–	(8,458)	58,396	49,154	(2,205)	46,949
Transactions with owners, recognised directly in equity								
Changes in ownership interests in subsidiaries								
Capital contribution by non-controlling interests	–	–	–	–	–	–	22,540	22,540
Acquisition of subsidiaries with non-controlling interests	–	–	–	–	–	–	70,049	70,049
Total transactions with owners	–	–	–	–	–	–	92,589	92,589
At 31 December 2014	343,458	–	4,132	(8,594)	37,439	376,435	90,384	466,819

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year ended 31 December 2014

	Note	2014 $'000	2013 $'000 *Re-presented
Cash flows from operating activities			
Profit/(Loss) for the year		57,549	(1,530)
Adjustments for:			
Change in fair value of investment property	21	(472)	–
Depreciation of property, plant and equipment	4	8,933	291
Finance expense	22	11,289	–
Finance income	22	(2,381)	(1,782)
Gain on sale of discontinued operation, net of tax	24	(4,657)	–
Gain on bargain purchase arising from acquisition of subsidiaries	21	(65,937)	–
Loss/(Gain) on disposal of property, plant and equipment	25	75	(50)
(Reversal of impairment loss)/Impairment loss on trade receivables	25	(794)	6
Net change in fair value of quoted equity investments	25	–	78
Net change in fair value of financial derivatives	25	(68)	502
Tax expense		2,054	8
		5,591	(2,477)
Changes in:			
Development property		(625,920)	–
Inventories		420	2,672
Trade and other receivables		17,399	(34,628)
Trade and other payables		(55,658)	266
Balances with related parties		67,068	–
Cash used in operations		(591,100)	(34,167)
Tax paid		(823)	(12)
Net cash used in operating activities		(591,923)	(34,179)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(6,242)	(237)
Net cash outflow on business combination	28	(194,491)	–
Net cash outflow on acquisition of subsidiaries	29	(18,149)	–
Payment of consideration on acquisition of subsidiaries		(4,336)	–
Deposits pledged		6,270	(260,775)
Disposal of discontinued operation, net of cash disposed of	24	6,511	–
Interest received		2,685	–
Proceeds from sale of quoted equity investments		–	490
Proceeds from sale of property, plant and equipment		97	73
Net cash used in investing activities		(207,655)	(260,449)

* See note 2.3 – change in presentation currency

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year ended 31 December 2014

	Note	2014 $'000	2013 $'000 *Re-presented
Cash flows from financing activities			
Capital contribution by non-controlling interests		22,540	–
Finance expense paid (including amounts capitalised in development property)		(16,206)	–
Payment of finance lease obligations		(26)	(23)
Repayment of borrowings		(232,619)	–
Proceeds from borrowings		931,386	212,533
Proceeds from issue of share capital		–	292,906
Net cash from financing activities		705,075	505,416
Net (decrease)/increase in cash and cash equivalents		(94,503)	210,788
Cash and cash equivalents at 1 January		225,824	15,037
Effect of exchange rate fluctuations on cash held		(253)	(1)
Cash and cash equivalents at 31 December	14	131,068	225,824

* See note 2.3 – change in presentation currency

Significant non-cash transactions

During the financial year, the Group purchased property, plant and equipment amounting to $6,674,000 (2013: $237,000), of which $432,000 (2013: $Nil) was acquired under finance lease arrangements.

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

NOTES TO THE
FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 March 2015.

1 Domicile and activities

GSH Corporation Limited (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is GSH Centre, 11 Changi North Way, Singapore 498796.

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

The financial statements of the Company as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in an associate.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

Change in functional currency and presentation currency

With effect from 1 December 2014, as a result of a change in underlying transactions, events and conditions relevant to the Company, the functional currency of the Company was changed from the United States dollar ("US$") to $.

In line with the change in functional currency, the presentation currency of the Company and the Group was changed from US$ to $. The comparative information has been translated from the US$ to $ based on exchange rate of US$1: $1.3037.

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements

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

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

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 notes:

- Note 17 - loans and borrowings (classification of redeemable preference shares)
- Note 29 - acquisition of subsidiaries (acquisition of assets classification)

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

- Notes 8 and 23 - estimation of current and deferred tax liabilities/(assets)
- Note 4 - measurement of recoverable amounts of property, plant and equipment
- Note 10 - measurement of carrying amount of development properties
- Note 5 - fair value determination of investment properties
- Note 28 - fair value determination of assets and liabilities acquired in business combination

Measurement of fair values

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

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

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

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

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

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

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

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies

Subsidiaries

FRS 110 *Consolidated Financial Statements* introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, FRS 110 requires the Group to consolidate investees that it controls on the basis of *de facto* circumstances.

In accordance with the transitional provisions or FRS110, the Group re-assessed the control conclusion for its investees at 1 January 2014. The adoption of FRS110 has had no significant impact on the Group's assessment of its control over its subsidiaries.

Disclosure of interests in other entities

From 1 January 2014, as a result of FRS 112 *Disclosure of Interests in Other Entities*, the Group has expanded its disclosures about its interests in subsidiaries (see note 34) and associates.

Offsetting of financial assets and financial liabilities

From 1 January 2014, under the Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The adoption of the amendments is not expected to have a significant impact on the consolidated financial statements of the Group.

3 Significant accounting policies

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

Certain comparative amounts have been reclassified to conform with the current year's presentation (see note 35). In addition, the comparative statement of comprehensive income has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative year (see note 24).

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

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

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

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

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

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

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

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

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

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

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

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

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Investment in associates (equity-accounted investees)

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

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

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

(v) Transactions eliminated on consolidation

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

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(vi) Subsidiaries and associates in the separate financial statements

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

3.2 Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at average exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

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

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

3 Significant accounting policies (cont'd)

3.3 Property, plant and equipment

(i) Recognition and measurement

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

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

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

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

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

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

Leasehold land and building are measured at fair value less accumulated depreciation on building and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materiality from the fair value of the leasehold land and building at the end of the reporting period.

3 Significant accounting policies (cont'd)

3.3 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under asset revaluation reserve, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

(iii) Subsequent costs

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

(iv) Depreciation

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

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

3 Significant accounting policies (cont'd)

3.3 Property, plant and equipment (cont'd)

(iv) Depreciation (cont'd)

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

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

• Leasehold building	Over the remaining lease period ending 30 April 2019
• Leasehold land	Over the remaining lease period ending 31 December 2091
• Golf club and hotel buildings, improvements and renovation	50 years
• Golf course renovation and operating equipment	5 to 15 years
• Night golfing lighting system	50 years
• Hotel and other operating equipment, office equipment and furniture and fittings	3 to 15 years
• Motor vehicles and vessels	5 to 15 years

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

3.4 Investment property

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

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

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

3 Significant accounting policies (cont'd)

3.5 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decision based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprises derivative financial instruments.

Derivative financial instruments

The Group holds derivative financial instruments, principally forward exchange contracts to hedge its risks associated with fluctuations in foreign currency rates. Derivative financial instruments are not used for trading purposes.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and all changes in its fair value are recognised immediately in profit or loss.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

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

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables, and amounts due from related parties.

Cash and cash equivalents comprise cash balances and short-term deposits. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(ii) Non-derivative financial liabilities (cont'd)

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, trade and other payables, and amounts due to related parties.

(iii) Share capital

Ordinary shares

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

Preference share capital

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

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

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

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

Financial guarantees are accounted for in the Group's financial statements as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3 Significant accounting policies (cont'd)

3.6 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Company considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3 Significant accounting policies (cont'd)

3.6 Impairment (cont'd)

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

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.6(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

Impairment losses are recognised in profit or loss.

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

3 Significant accounting policies (cont'd)

3.7 Development properties

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

Borrowing costs that are directly attributable to the acquisition and development of the development property are capitalised as part of development property during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

3.8 Inventories

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

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

3.9 Leases

When entities within the Group are lessor of an operating lease

The Group leases out certain investment properties to third parties.

Rental income from operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

When entities within the Group are lessees of an operating lease

The Group leases certain property, plant and equipment from third parties.

Leases of property, plant and equipment where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

3 Significant accounting policies (cont'd)

3.10 Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

3.11 Provisions

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

3.12 Revenue recognition

(i) Hospitality services

Revenue from the rental of hotel rooms and other hotel facilities is recognised when the services are rendered to the customer. Revenue from the sale of food and beverage is recognised when the goods are delivered.

(ii) Club related income

Marina Club income and golf course income, representing income from green fees and fees from other social facilities provided by the Club, are recognised when services have been rendered, and accepted by customers.

Income from subscription fees are recognised on an accrual basis.

Transfer fees on club membership are recognised on approval of transfer.

3 Significant accounting policies (cont'd)

3.12 Revenue recognition (cont'd)

(iii) Rendering of services

Revenue from the rendering of services is recognised when the service is rendered.

(iv) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(v) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

3.13 Finance income and finance costs

Finance income comprises interest income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings.

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

3.14 Tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

3 Significant accounting policies (cont'd)

3.14 Tax (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

3.15 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

3.16 Earnings per share

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

3 Significant accounting policies (cont'd)

3.17 Segment reporting

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

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

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

3.18 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. Those new standards, amendments to standards and interpretations that are expected to have a significant effect on the financial statements of the Group and the Company in the future financial periods, and which the Group does not plan to early adopt, except as otherwise indicated below, are set out below.

- FRS 109 *Financial Instruments* replaces the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39. FRS 109 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

  The Group is assessing the potential impact on its consolidated financial statements resulting from the application of FRS 109.

- FRS 115 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including FRS 11 *Construction Contracts*, FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*. FRS 115 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

  The Group is currently assessing the impact of early adoption. The new standard is not expected to have a significant impact on the Group's and the Company's financial statements if the Group and the Company early adopt FRS 115 in 2015.

4 Property, plant and equipment

Group	Note	At valuation Leasehold building $'000	At cost Leasehold land $'000	Golf club and hotel buildings, improvements and renovation $'000	Golf course renovation and operating equipment $'000	Night golfing lighting system $'000	Hotel and other operating equipment, office equipment and furniture and fittings $'000	Motor vehicles and vessels $'000	Total $'000
Cost and valuation									
At 1 January 2013		6,160	–	–	–	–	1,737	802	8,699
Additions		–	–	–	–	–	126	111	237
Disposals/Write-off		–	–	–	–	–	(859)	(125)	(984)
Revaluation of leasehold land and buildings		1,007	–	–	–	–	–	–	1,007
Depreciation offset on revaluation		(2,336)	–	–	–	–	–	–	(2,336)
At 31 December 2013		4,831	–	–	–	–	1,004	788	6,623
Additions		–	–	3,703	1,020	–	1,948	3	6,674
Disposals/Write-off		–	–	–	(150)	–	(555)	(57)	(762)
Disposal – Discontinued operation	24	–	–	–	–	–	(629)	(438)	(1,067)
Acquisition through business combinations	28	–	215,759	235,203	1,697	1,301	41,196	931	496,087
Reclassifications to investment property	5	(4,905)	–	–	–	–	–	–	(4,905)
Effect of movements in exchange rates		74	(4,082)	(4,471)	(54)	(24)	(790)	(18)	(9,365)
At 31 December 2014		–	211,677	234,435	2,513	1,277	42,174	1,209	493,285

4 Property, plant and equipment (cont'd)

	Note	At valuation	At cost						
		Leasehold building $'000	Leasehold land $'000	Golf club and hotel buildings, improvements and renovation $'000	Golf course renovation and operating equipment $'000	Night golfing lighting system $'000	Hotel and other operating equipment, office equipment and furniture and fittings $'000	Motor vehicles and vessels $'000	Total $'000
Accumulated depreciation									
At 1 January 2013		2,195	–	–	–	–	1,565	640	4,400
Depreciation charge		141	–	–	–	–	72	78	291
Disposals/Write-off		–	–	–	–	–	(858)	(103)	(961)
Depreciation offset on revaluation		(2,336)	–	–	–	–	–	–	(2,336)
At 31 December 2013		–	–	–	–	–	779	615	1,394
Acquisition through business combination	28	–	614	1,253	58	7	33,114	574	35,620
Depreciation charge		27	2,158	4,408	239	19	1,920	162	8,933
Disposals/Write-off		–	–	–	(150)	–	(406)	(34)	(590)
Disposal – discontinued operation	24	–	–	–	–	–	(514)	(366)	(880)
Reclassifications to investment property	5	(27)	–	–	–	–	–	–	(27)
Effect of movements in exchange rates		–	(59)	(125)	(4)	–	(650)	(12)	(850)
At 31 December 2014		–	2,713	5,536	143	26	34,243	939	43,600
Carrying amounts									
At 1 January 2013		3,965	–	–	–	–	172	162	4,299
At 31 December 2013		4,831	–	–	–	–	225	173	5,229
At 31 December 2014		–	208,964	228,899	2,370	1,251	7,931	270	449,685

4 Property, plant and equipment (cont'd)

	At cost		
	Office equipment and furniture and fittings $'000	Motor vehicles $'000	Total $'000
Company			
Cost			
At 1 January and 31 December 2013	–	–	–
Additions	167	29	196
At 31 December 2014	167	29	196
Accumulated depreciation			
At 1 January and 31 December 2013	–	–	–
Depreciation charge	20	19	39
At 31 December 2014	20	19	39
Carrying amounts			
At 1 January and 31 December 2013	–	–	–
At 31 December 2014	147	10	157

Impairment losses

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

Assets held under finance lease

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

	Group	
	2014 $'000	2013 $'000
Motor vehicles	10	48
Office equipment	381	–
	391	48

4 **Property, plant and equipment (cont'd)**

Security

At 31 December 2014, properties of the Group with carrying amounts of $195,349,000 (2013: $Nil) are pledged as security to secure bank loans (see note 17).

Leasehold building

If the leasehold building were measured using the cost model, the carrying amounts would be as follows:

	Group 2013 $'000
Cost	3,024
Accumulated depreciation	(366)
	2,658

During the year, the carrying amount of the leasehold building amounted to $4,878,000 was transferred to investment property, because it was no longer used by the Group and it was decided that the building would be leased to a third party.

5 **Investment property**

		Group	
	Note	2014 $'000	2013 $'000
Cost			
At 1 January		–	–
Reclassification from property, plant and equipment	4	4,878	–
Change in fair value	21	472	–
Effect of movements in exchange rates		20	–
At 31 December		5,370	–

Investment properties comprise commercial property leased to external customers, held for capital appreciation and rental income.

Fair value hierarchy

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

The fair value measurement for investment property of $5,370,000 has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (note 2.4).

5 Investment property (cont'd)

Level 3 fair value

The following table shows the reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Group 2014 $'000
At 1 January	–
Reclassification from property, plant and equipment	4,878
Changes in fair value (unrealised)	472
Translation differences on consolidation	20
At 31 December	5,370

Valuation technique and significant unobservable inputs

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

Valuation techniques	Significant unobservable inputs	Inter-relationship between unobservable input and fair value measurement
Direct income capitalisation: The valuation model is a method used to convert an estimate of a single year's income expectancy into an indication of value. The value of the property is derived by dividing a property's net operating income ("NOI") by the market capitalisation rate. NOI is equal to a property's yearly gross income less operating expenses.	• Capitalisation rate (11%-12%) • Expected gross rental income ($11-$12 per sq feet) • Expected operating expenses ($3-$6 per sq feet)	The estimated fair value would increase (decrease) if the: • capitalisation rate is lower (higher); • expected gross rental income is higher (lower); or • expected operating expenses is lower (higher).

6 Subsidiaries

	Company 2014 $'000	Company 2013 $'000
Investments in subsidiaries		
Equity investment at cost	193	4,875
Less: Allowance for impairment of investments	–	(4,682)
	193	193

6 Subsidiaries (cont'd)

The movement in the allowance for impairment of investments in subsidiaries are as follows:

	Company	
	2014	2013
	$'000	$'000
At beginning of the year	4,682	4,682
Amount reversed	(4,682)	–
At end of the year	–	4,682

Details of subsidiaries are as follows:

Name of Subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group 2014 %	2013 %
Subsidiaries				
GSH Corporation (Far East) Pte Ltd[3]	Trading and distribution of fast moving consumer goods, IT, photographic and timepiece products	Singapore	–	100
GSH (Middle East) Pte Ltd[4]	Trading and distribution of fast moving consumer goods, IT, photographic and timepiece products	British Virgin Islands	100	100
Global Strategic Holdings Franchising Pte Ltd[3]	Investment and intellectual property holding	Singapore	–	100
GSH Investment Limited[4]	Investment holding	Hong Kong	100	100
GSH Distribution (Cambodia) Pte Ltd[3]	Trading and distribution of fast moving consumer goods, IT, and photographic products	Cambodia	–	100
JEL Distribution (Kazakhstan) LLP[3]	Trading and distribution of fast moving consumer goods, IT, and photographic products	Kazakhstan	–	100
JEL Trading Bangladesh Pte Ltd[3]	Dormant	Bangladesh	–	100
JEL Marketing Asia Pte Ltd[5]	Dormant	British Virgin Islands	–	100
JEL Marketing Central Asia Pte Ltd[5]	Dormant	British Virgin Islands	–	100
GSH (Xiamen) Property Holdings Pte Ltd[1]	Investment holding	Singapore	100	100

6 Subsidiaries (cont'd)

Name of Subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group 2014 %	2013 %
Subsidiaries				
GSH (Xiamen) Property Development Pte Ltd[1]	Investment holding	Singapore	100	100
GSH (Xiamen) Investments Pte Ltd[1]	Investment holding	Singapore	100	100
GSH Properties Pte Ltd[1]	Investment holding	Singapore	100	100
GSH Properties (Malaysia) Pte Ltd[1]	Investment holding	Singapore	100	100
City View Ventures Sdn Bhd[2]	Property development	Malaysia	100	100
Borneo Ventures Pte Ltd[1]	Investment holding	Singapore	100	100
Ocean View Ventures Pte Ltd[1]	Investment holding	Singapore	100	100
Ocean View Point Pte Ltd[1]	Investment holding	Singapore	100	100
Plaza Ventures Pte Ltd[1]	Property development	Singapore	51.0	–
Altheim International Ltd[4]	Investment holding	British Virgin Island	75.0	–
Mewabumi Sdn Bhd[2]	Investment holding	Malaysia	75.0	–
Linyi Properties Sdn Bhd[2]	Property development	Malaysia	75.0	–
MXIM Holding Pte Ltd[1]	Investment holding	Singapore	79.4	–
Mainfield Holding Ltd[4]	Investment holding	British Virgin Island	67.5	–
Xing Asia Compel Sdn Bhd[2]	.Investment holding	Malaysia	67.5	–
Investasia Sdn Bhd[2]	Property development	Malaysia	67.5	–
The Sutera Harbour Group Sdn Bhd[2]	Investment holding	Malaysia	77.5	–
Sutera Harbour Resort Sdn Bhd[2]	Investment holding	Malaysia	77.5	–
The Little Shop Sdn Bhd[2]	Retailing of clothing, souvenirs and convenience items	Malaysia	77.5	–
Sutera Harbour Travel Sdn Bhd[2]	Upmarket train services	Malaysia	77.5	–
Sutera Harbour Golf & Country Club Berhad[2]	Operation of a 27-hole golf course and a marina together with clubhouse and other facilities	Malaysia	77.5	–

6 Subsidiaries (cont'd)

Name of Subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group 2014 %	2013 %
Subsidiaries				
Eastworth Source Sdn Bhd[2]	Hotel operation	Malaysia	77.5	–
Advanced Prestige Sdn Bhd[2]	Hotel operation	Malaysia	77.5	–

1 Audited by KPMG LLP, Singapore

2 Audited by KPMG, Malaysia

3 On 31 December 2014, the Group disposed its entire trading and distribution segment to a third party (note 24).

4 Not required to be audited in accordance with the laws of country of incorporation

5 The Company was liquidated and struck off from the Registrar of Companies

7 Associate

	Group 2014 $'000	Group 2013 $'000
Equity investment, at cost	–	30
Share of post acquisition reserves	–	(22)
	–	8

Details of the associate are as follows:

Name of associate	Principal activities	Country of incorporation	Effective equity held by the Group 2014 %	2013 %
JEL Marketing Vietnam JVC Ltd [1]	Distribution of photographic and IT products	Vietnam	–	49

1 On 31 December 2014, the Group disposed its entire trading and distribution segment to a third party (note 24).

The investment in JEL Marketing Vietnam JVC Ltd is not material to the Group's financial statements.

8 Deferred tax assets and liabilities

Movements in the deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2013 $'000	Recognised in profit or loss (note 23) $'000	At 31 December 2013 $'000	Recognised in profit or loss (note 23) $'000	Acquired in business combinations (note 28) $'000	Discontinued operation (note 24) $'000	Effect of movements in exchange rates $'000	At 31 December 2014 $'000
Group								
Deferred tax assets								
Unutilised tax losses	48	–	48	–	787	(48)	(15)	772
Unutilised deductible temporary differences	81	–	81	(3,616)	9,609	(81)	(63)	5,930
Inventories	51	–	51	–	–	(51)	–	–
Trade and other receivables	2	–	2	–	–	(2)	–	–
	182	–	182	(3,616)	10,396	(182)	(78)	6,702
Deferred tax liabilities								
Property, plant and equipment	–	–	–	3,379	(78,994)	–	1,405	(74,210)

8 Deferred tax assets and liabilities (cont'd)

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are included in the statement of financial position as follows:

	Group	
	2014	2013
	$'000	$'000
Deferred tax assets	–	182
Deferred tax liabilities	67,508	–
	67,508	182

Unrecognised deferred tax assets

The Group has certain unutilised tax losses of $19,247,000 (2013: $19,532,000) as at 31 December 2014 for which related tax benefits have not been included in the financial statements. The tax losses are available for offset against future taxable profits of the companies in which the losses arose but for which no deferred tax asset has been recognised due to uncertainty of their recoverability. The use of tax losses is subject to the agreement by the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates.

9 Other investments

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Available-for-sale financial assets				
- Unquoted equity investments	–	8	–	–

10 Development property

	Group	
	2014	2013
	$'000	$'000
Properties under development:		
Cost incurred	767,827	–
Borrowing costs capitalised during the year	4,917	–

10 Development property (cont'd)

Borrowing costs of the Group have been capitalised at rates ranging from 2.2% to 5.7% per annum for development properties.

The allowance for foreseeable losses is estimated 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.

Securities

Certain development properties of the Group are mortgaged to the banks as collateral for credit facilities provided to the Group as disclosed in note 17.

11 Inventories

	Group	
	2014	**2013**
	$'000	**$'000**
Food and beverage	563	–
Spare parts and consumables	374	–
Merchandise	114	8,262
	1,051	8,262

The cost of inventories recognised as expense for continuing operations and included in "cost of sales" amounted to $8,916,000. During the year ended 31 December 2014, the write-down of inventories to their net realisable value by the Group during the year amounted to $159,000. The write-down of inventories is included in cost of sales.

In 2013, the cost of inventories recognised as expenses in discontinued operations in relation to the sale of goods amounted to $110,972,000.

12 Trade and other receivables

		Group		Company	
	Note	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Trade receivables		2,560	7,327	–	–
Less: Allowance for doubtful receivables		(139)	(259)	–	–
		2,421	7,068	–	–
Deposits	(i)	1,905	32,372	1,071	1
Interest receivables		1,478	1,782	1,478	1,782
Other receivables	(ii)	10,315	2,482	9,006	825
		16,119	43,704	11,555	2,608
Advances to suppliers		962	846	–	–
Prepayments		850	286	35	69
		17,931	44,836	11,590	2,677

(i) In 2013, deposits of $32,315,000 relate to the deposit paid on investments in the property development and hotel operation business. In 2014, the acquisition of land and business have been completed.

(ii) Included in other receivables are the consideration receivables of $9,003,000 as at 31 December 2014 from a third party arising from the disposal of subsidiaries during the financial year ended 31 December 2014. The balance was fully received on 2 March 2015.

Exposure to credit risk

The maximum exposure to credit risk for loans and receivables at the reporting date by business segment is set out below:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Hotel operations	4,037	32,315	–	–
Rental properties	527	–	–	–
Trading and distribution	9,003	8,781	9,003	–
Others	2,552	2,608	2,552	2,608
	16,119	43,704	11,555	2,608

12 Trade and other receivables (cont'd)

Impairment losses

The ageing of loans and receivables that were past due at the reporting date is as follows:

	2014		2013	
	Gross $'000	Individual impairment $'000	Gross $'000	Individual impairment $'000
Group				
Past due less than 30 days	567	–	868	–
Past due 31 to 60 days	96	(18)	253	–
Past due over 60 days	122	(121)	1,664	(259)

The change in impairment losses in respect of trade receivable during the year is as follows:

	Group	
	2014 $'000	2013 $'000
At 1 January	259	253
Acquired in business combination	933	–
Disposal – discontinued operation	(259)	–
Impairment loss reversed	(794)	–
Impairment loss	–	6
At 31 December	139	259

The Group's historical experience in the collection of trade and other receivables falls within the recorded allowances. Due to this factor, management believes that no additional credit risks beyond the amounts provided for collection losses is inherent in the Group's trade and other receivables.

Trade receivables that were not past due relate to a wide range of customers for whom there has not been a significant change in the credit quality.

13 Amounts due from/(to) related parties

Amounts due from related parties

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade amounts due from subsidiaries	–	–	–	26,586
Less: Allowance for doubtful receivables	–	–	–	(10,603)
	–	–	–	15,983
Non-trade amounts due from subsidiaries	–	–	262,978	329,593
Less: Allowance for doubtful receivables	–	–	–	(13)
	–	–	262,978	329,580
	–	–	262,978	345,563

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Amounts due to related parties

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-current				
Non-trade amounts due to non-controlling interests	19,787	–	–	–
Current				
Non-trade amounts due to:				
- subsidiaries	–	–	7,136	83,934
- non-controlling interests	84,712	–	–	–
	84,712	–	7,136	83,934
	104,499	–	7,136	83,934

The non-trade amounts due to non-controlling interests comprised the following:

(a) consideration payable of $39,574,000 as at 31 December 2014 to a non-controlling shareholder for the acquisition of subsidiaries.

(b) non-trade amounts due to non-controlling interest amounting to $64,925,000 relate to purchase and construction of development property.

Non-trade amounts due to subsidiaries and non-controlling interests are unsecured, interest-free and repayable on demand.

14 Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Cash at bank and on hand	23,601	5,913	9,263	182
Fixed deposits with financial institutions	362,286	481,000	303,179	260,775
Cash and cash equivalents in the statements of financial position	385,887	486,913	312,442	260,957
Deposits pledged	(254,819)	(261,089)	(254,679)	(260,775)
Cash and cash equivalents in the statement of cash flows	131,068	225,824	57,763	182

Interest rates are repriceable as and when notified by the banks. The weighted average effective interest rates relating to cash and cash equivalents as at the reporting date for the Group is 0.59% to 3.95% (2013: 0.55% - 1.20%) per annum.

Deposits pledged represent bank balances of the Company pledged as security to obtain credit facilities (see note 17).

Included in the deposits pledged are fixed deposits of $140,000 (2013: $241,000) which are pledged to banks for security against non-payment of custom duties and staff salaries of the subsidiaries.

15 Share capital

		Group and Company			
		2014		2013	
	Note	No. of shares	$'000	No. of shares	$'000
Issued and fully paid ordinary shares:					
At 1 January		9,885,180,250	343,458	4,547,410,140	50,552
Issuance of shares arising from:					
- rights issue	a	–	–	4,942,590,125	253,688
- new shares issue	b	–	–	395,179,985	39,218
At 31 December		9,885,180,250	343,458	9,885,180,250	343,458

All issued ordinary shares are fully paid, with no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

(a) On 3 June 2013, the Company has issued 4,942,590,125 rights shares at an issue price of $0.05 per share.

(b) On 7 March 2013, the Company issued 210,526,316 new ordinary shares to Skyven Growth Opportunities Fund Pte Ltd and 184,653,669 new ordinary shares to Golden Super Holdings Limited at the price of $0.095 per share.

15 Share capital (cont'd)

Capital management

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, to continue to maintain the future development and growth of the business.

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 liabilities (which include interest-bearing loans and borrowings and obligations under finance leases) less cash and cash equivalents. Total equity includes equity attributable to equity holders of the Company and reserves.

	Group	
	2014	**2013**
	$'000	**$'000**
Total liabilities	1,160,932	218,157
Less: Cash and cash equivalents	(385,887)	(486,913)
Net debt/(equity)	775,045	(268,756)
Total equity	466,819	327,281
Net debt/(equity) equity ratio	1.66	(0.82)

No changes were made to the above objectives, policies and processes during the year ended 31 December 2014 and 2013.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Dividends

After the reporting date, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2014	**2013**
	$'000	**$'000**
0.05 cent per qualifying ordinary share (2013: Nil)	4,943	–

16 Reserves

	Group 2014 $'000	Group 2013 $'000
Capital reserve	–	784
Asset revaluation reserve	4,132	4,132
Translation reserve	(8,594)	(136)
	(4,462)	4,780

Capital reserve

The capital reserve arises from the acquisition of interest in subsidiaries in prior years.

Asset revaluation reserve

Asset revaluation reserve represents increases in the fair value of leasehold building, net of tax, and decreases to the extent that such decrease relates to an increase in the same asset previously recognised in other comprehensive income. In 2014, the leasehold building was transferred to investment property. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations.

17 Loans and borrowings

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current				
Secured bank loans	687,319	–	–	–
Finance lease liabilities	292	29	6	–
Redeemable preference shares	488	–	–	–
	688,099	29	6	–
Current				
Secured bank loans	270,766	211,330	254,000	211,330
Trust receipts	–	2,889	–	–
Finance lease liabilities	116	23	25	–
	270,882	214,242	254,025	211,330
Total loans and borrowings	958,981	214,271	254,031	211,330
Maturities of liabilities (excluding finance lease liabilities and redeemable preference shares)				
Within 1 year	270,766	214,219	254,000	211,330
After 1 year but within 5 years	565,271	–	–	–
After 5 years	122,048	–	–	–
	958,085	214,219	254,000	211,330

Classification of redeemable preference shares

Redeemable preference shares do not carry the right to vote and rank equally with other shares with regard to the Sutera Harbour Golf & Country Club Berhad's residual assets.

The redeemable preference shares are mandatorily redeemable at par on 31 December 2091 by a subsidiary, Sutera Harbour Golf & Country Club Berhad. The Group has the obligation to pay at par value to preference shareholders at the redemption date. As such, the Group has determined that the redeemable preference shares are classified as liabilities.

17 Loans and borrowings (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

Group	Currency	Nominal interest rate per annum %	Year of maturity	Carrying amount $'000
At 31 December 2014				
Secured bank loans[1]	$	0.4 – 3.7	2015 - 2017	694,000
Secured bank loans[1]	MYR	5.5 – 8.9	2017 - 2024	264,085
Finance lease liabilities	MYR	10.7	2018	377
Finance lease liabilities	$	2.3	2016	31
Redeemable preference shares	MYR	Nil	2091	488
Total loans and borrowings				958,981
At 31 December 2013				
Secured bank loans[3]	US$	0.4 – 0.5	2014	211,330
Finance lease liabilities	$	2.3	2016	52
Trust receipts	US$	2.0 – 2.3	2014	2,889
Total loans and borrowings				214,271
Company				
At 31 December 2014				
Secured bank loans[2]	$	0.4 – 0.7	2015	254,000
Finance lease liabilities	$	2.3	2016	31
Total loans and borrowings				254,031
At 31 December 2013				
Secured bank loans[3]	US$	0.4 – 0.5	2014	211,330

17 Loans and borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

[1] The loans are secured by:

(a) pledged fixed deposit of $254,679,000 by the Company;

(b) a first legal mortgage over the Group's certain subsidiaries' development property with a carrying amount of $698,708,000;

(c) an assignment of all rights, titles and interest in connection with tenancy agreement and sales and purchase agreement entered by a subsidiary;

(d) claim over repayment of existing and future loan and advances made to a subsidiary by the subsidiary's shareholders or related parties;

(e) guarantees executed by a director of a subsidiary;

(f) corporate guarantees executed by the Company;

(g) the Group's shares in Sutera Harbour Resort Sdn Bhd, Advanced Prestige Sdn Bhd, Eastworth Source Sdn Bhd, Sutera Harbour Travel Sdn Bhd and The Little Shop Sdn Bhd;

(h) debenture incorporating a fixed and floating charge over generally all its present and future assets of the Sutera Harbour Resort Sdn Bhd; Advanced Prestige Sdn Bhd, Eastworth Source Sdn Bhd, Sutera Harbour Travel Sdn Bhd, The Little Shop Sdn Bhd and Sutera Harbour Golf and Country Club Berhad;

(i) a first legal mortagage over the Group's hotel land with a carrying amount of $195,349,000;

(j) assignment of revenues or sales proceeds from the assets and properties of Sutera Harbour Resort Sdn Bhd and its subsidiaries;

(k) a debenture incorporating a fixed and floating charge over generally all its present and future assets in connection with the Group's certain subsidiaries' development property;

(l) a first legal charge over certain debt service reserve account; and

(m) an undertaking from the Company to provide additional funds/advances required to meet any cashflow shortfalls in the Group's certain subsidiaries debt service obligations.

[2] Pledged fixed deposit of $254,679,000 by the Company.

[3] Pledged fixed deposit of $260,775,000 by the Company. The loan was fully repaid during the financial year.

17 Loans and borrowings (cont'd)

Finance lease liabilities

Finance lease liabilities are repayable as follows:

	Principal $'000	Interest $'000	Payments $'000
Group			
At 31 December 2014			
Within 1 year	116	33	149
After 1 year but within 5 years	292	75	367
	408	108	516
At 31 December 2013			
Within 1 year	23	3	26
After 1 year but within 5 years	29	4	33
	52	7	59
Company			
At 31 December 2014			
Within 1 year	25	3	28
After 1 year but within 5 years	6	1	7
	31	4	35

18 Trade and other payables

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade payables	2,732	418	–	–
Accrued operating expenses	10,071	1,944	3,854	557
Rental and other deposits	5,574	–	–	–
Other payables	4,638	578	341	451
Advance payments from customers	5,608	270	–	–
	28,623	3,210	4,195	1,008

19 Derivatives financial liabilities

	2014		2013	
	Contract/ notional amount $'000	Assets/ (Liabilities) $'000	Contract/ notional amount $'000	Assets/ (Liabilities) $'000
Group and Company				
Non-hedging instruments				
- Forward exchange contracts	37,837	(434)	254,679	(502)

20 Revenue

	Group 2014 $'000	Group 2013 $'000
Club related income	7,926	–
Hospitality income	33,588	–
Sale of goods	484	–
Others	679	–
	42,677	–

21 Other income

	Note	Group 2014 $'000	Group 2013 $'000
Rental income		9,745	1,179
Gain on bargain purchase arising from business combination	28	65,937	–
Change in fair value of investment property		472	–
Recovery of expenses from non-controlling interests		940	–
Reversal of impairment loss on trade receivables		794	–
Others		265	–
		78,153	1,179

22 Finance costs

	2014 $'000	2013 $'000
Interest income	2,381	1,782
Finance income	2,381	1,782
Interest expenses on:		
- loan from an affiliated corporation	(3,505)	–
- bank loans	(7,770)	–
- finance leases	(14)	–
Finance costs	(11,289)	–
Net finance costs recognised in profit or loss	(8,908)	1,782

An affiliated corporation is defined as one:

(a) in which a director of the Group has substantial financial interests or who is in a position to exercise significant influence; and/or

(b) which directly or indirectly, through one or more intermediaries, are under the control of a common shareholder.

NOTES TO THE
FINANCIAL STATEMENTS

23 Tax expense

	Group	
	2014	2013
	$'000	$'000
Current tax expense		
Current year	1,473	8
Adjustment for prior years	344	–
	1,817	8
Deferred tax expense		
Current year	465	–
Adjustment for prior years	(228)	–
	237	–
Tax expense	2,054	8
Tax expense on continuing operations	2,054	8
Tax expense on discontinued operation	–	–
Total tax expense	2,054	8

Reconciliation of effective tax rate

Profit/(Loss) before tax from continuing operations	54,849	(3,602)
Tax using the Singapore tax rate of 17% (2013: 17%)	9,324	(612)
Effect of tax rates in foreign jurisdictions	(480)	(12)
Non-deductible expenses	4,639	709
Income not subject to tax	(11,522)	(84)
Utilisation of deferred tax assets previously not recognised	(1,012)	–
Deferred tax asset not recognised	987	7
Adjustment in prior years:		
- current tax	344	–
- deferred tax	(228)	–
Others	2	–
	2,054	8

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made.

24 Discontinued operations

On 31 December 2014, the Group disposed its entire trading and distribution segment to a third party. The segment was not previously presented as a discontinued operations or classified as held for sale as at 31 December 2013 and thus the comparative statement of profit or loss has been re-presented to show the discontinued operations separately from continuing operations.

	Note	Group 2014 $'000	Group 2013 $'000
Results of discontinued operations			
Revenue		87,100	116,613
Expenses		(87,003)	(114,533)
Results from operating activities		97	2,080
Tax	23	–	–
Results from operating activities, net of tax		97	2,080
Gain on sale of discontinued operations		4,657	–
Tax on gain on sale of discontinued operations	23	–	–
Profit for the year		4,754	2,080
Basic and diluted earnings (loss) per share (cents)	26	0.05	0.03

For the financial year ended 31 December 2014 and 2013, the profit from discontinued operations of $4,754,000 and $2,080,000 respectively, was attributable entirely to the owners of the Company.

Out of the profit from continuing operations of $52,795,000 in 2014, an amount of $53,642,000 was attributable to the owners of the Company for the financial year ended 31 December 2014. The loss from continuing operations of $3,610,000 was attributable entirely to the owners of the Company for the financial year ended 31 December 2013.

	Group 2014 $'000	Group 2013 $'000
Cash flows from discontinued operations		
Net cash used in operating activities	(396)	(13,466)
Net cash from investing activities	660	143
Net cash (used in)/from financing activities	(963)	1,180
Net cash flows for the year	(699)	(12,143)

24 Discontinued operations (cont'd)

	Group 2014 $'000
Effect of disposal on the financial position of the Group	
Property, plant and equipment	187
Other investment	8
Associate	8
Inventories	7,958
Trade and other receivables	9,187
Cash and cash equivalents	2,461
Deferred tax assets	182
Trade and other payables	(20,037)
Identified net liabilities	(46)
Transfer from capital reserve	(784)
Transfer from translation reserve	136
Gain on sale of discontinued operation	4,657
Total consideration	3,963
Repayment of amounts due to the Group	14,012
Portion of consideration for which payment is deferred	(9,003)
Cash and cash equivalents disposed of	(2,461)
Net cash inflow	6,511

25 Profit/(Loss) for the year

The following items have been included in arriving at profit/(loss) for the year:

	2014 $'000	2013 $'000
Audit fees paid to auditors of the Company		
- auditors of the Company	176	190
- other auditors	91	–
Non-audit fees paid to:		
- auditors of the Company	–	26
- other auditors	50	10
Net change in fair value of:		
- quoted equity investments	–	78
- financial derivatives	(68)	502
Net foreign exchange loss	4,879	507
Operating lease expense	1,968	1,606
Staff costs	19,429	5,490
Contribution to defined contribution plans included in staff costs	1,311	275
(Reversal of impairment loss)/Impairment loss on trade receivables	(794)	6
Loss/(Gain) on disposal of property, plant and equipment	75	(50)
Operating expenses arising from rental of investment properties	13	–

26 Earnings per share

The calculation of basic and diluted earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders of $58,396,000 (2013: loss attributable to ordinary shareholders of $1,530,000), and a weighted-average number of ordinary shares outstanding of 9,885,180,000 (2013: 7,742,980,000), calculated as follows:

Profit attributable to ordinary shareholders

	Group					
	2014			2013		
	Continuing operations $'000	Discontinued operations $'000	Total $'000	Continuing operations $'000	Discontinued operations $'000	Total $'000
Earnings per share is based on:						
Profit/(Loss) attributable to ordinary shares	53,642	4,754	58,396	(3,610)	2,080	(1,530)

Weighted-average number of ordinary shares

	Note	Group Number of shares 2014 '000	Group Number of shares 2013 '000
Issued ordinary shares at 1 January		9,885,180	3,000,897
Effect of shares issued	15	–	4,742,083
Weighted-average number of ordinary shares during the year		9,885,180	7,742,980

27 Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

(i) Hospitality – operation of hotels , golf and marina club.
(ii) Property – sale of properties and rental income from investment properties owned by the Group.
(iii) Trading and distribution (discontinued) – trading and distribution of computers, photographic equipment, consumer products, timepieces, telecommunication products and peripherals for sub-distributors, wholesalers and retailers.

Other operations include mainly investment holding.

27 Operating segments (cont'd)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Hospitality $'000	Property $'000	Trading and distribution (discontinued) $'000	Others* $'000	Total $'000
31 December 2014					
Segment revenue	42,716	–	96,862	3,304	142,882
Elimination of inter-segment revenue	(39)	–	(9,762)	(3,304)	(13,105)
Elimination of discontinued operations	–	–	(87,100)	–	(87,100)
External revenue	42,677	–	–	–	42,677
Interest income	117	98	523	2,166[1]	2,904
Elimination of discontinued operations	–	–	(523)	–	(523)
	117	98	–	2,166	2,381
Interest expense	(5,933)	(3,522)	(41)	(1,834)	(11,330)
Elimination of discontinued operations	–	–	41	–	41
	(5,933)	(3,522)	–	(1,834)	(11,289)
Depreciation	(8,758)	(35)	(101)	(39)	(8,933)
Reportable segment (loss)/profit before tax	(594)	(254)	97	60,354[2]	59,603
Tax expense	(826)	(955)	–	(273)	(2,054)
Reportable segment profit/(loss) after tax	(1,420)	(1,209)	97	60,081	57,549
Reportable segment assets	468,759	834,803	–	324,189	1,627,751
Reportable segment liabilities	(257,701)	(644,571)	–	(258,660)	(1,160,932)
Capital expenditure	6,519	24	102	29	6,674

* General corporate activities

1 Included in interest income is the interest earned on fixed deposits of $2,146,000

2 Included in profit before tax is the gain on bargain purchase arising from business combination and gain on sale of discontinued operations of $65,937,000 and $4,657,000 respectively.

NOTES TO THE
FINANCIAL STATEMENTS

27 Operating segments (cont'd)

	Trading and distribution (discontinued) $'000	Others* $'000	Total $'000
31 December 2013			
Segment revenue	129,044	3,337	132,381
Elimination of inter-segment revenue	(12,431)	(3,337)	(15,768)
Elimination of discontinued operation	(116,613)	–	(116,613)
External revenue	–	–	–
Interest income	1,051	1,782	2,833
Elimination of discontinued operation	(1,051)	–	(1,051)
	–	1,782	1,782
Interest expense	(411)	–	(411)
Elimination of discontinued operation	411	–	411
	–	–	–
Depreciation	(291)	–	(291)
Reportable segment profit/(loss) before tax	2,080	(3,602)	(1,522)
Tax expense	–	(8)	(8)
Reportable segment profit/(loss) after tax	2,080	(3,610)	(1,530)
Reportable segment assets	242,553	302,877	545,430
Investment in an associate	8	–	8
Total assets			545,438
Reportable segment liabilities	(5,289)	(212,868)	(218,157)
Capital expenditure	237	–	237

27 Operating segments (cont'd)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue		Non-current assets *	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Malaysia	42,677	–	449,524	–
Central Asia	21,608	28,492	5,374	4,960
Singapore	17,200	37,986	157	235
Vietnam	20,655	24,987	–	–
Others	27,637	25,148	–	42
Trading and distribution (discontinued)	(87,100)	(116,613)	–	–
	42,677	–	455,055	5,237

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

Major customers

There is no single external customer who contributes 10 percent or more of the Group's revenue during the financial years ended 31 December 2014 and 2013.

28 Significant business combination

On 26 March 2014, the Group acquired 77.5% equity interest in Sutera Harbour Group Sdn Bhd and its subsidiaries.

From 1 April 2014 to 31 December 2014, Sutera Harbour Group Sdn Bhd and its subsidiaries ("Sutera Harbour Group") contributed revenue of $42,677,000 and a loss of $1,420,000 to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue would have been approximately $59,594,000, and consolidated profit for the year would have been approximately $3,788,000. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

Purchase consideration

The consideration for the acquisition was $195,704,000, which included the assignment of secured loans due from Sutera Harbour Group to its previous shareholder, and was settled in cash. No contingent consideration or indemnification asset was recognised at the acquisition date. Both the Group and the acquired entities did not have a relationship before this acquisition. Therefore, there was no settlement of pre-existing relationships.

The gain on bargain purchase arising from business combination of $65,937,000 was recognised as a result of the difference between consideration transferred and the fair value of the identifiable net assets.

28 Significant business combination (cont'd)

Effects of cash flows of the Group

	2014 $'000
Cash consideration paid	95,427
Assumption of secured creditors' loans	100,277
Purchase consideration	195,704
Less: cash and cash equivalents in subsidiary acquired	(1,213)
Net cash outflow on acquisition	194,491

Identifiable assets acquired and liabilities assumed

	2014 $'000
Property, plant and equipment	460,467
Inventories	1,193
Trade and other receivables	8,791
Cash and cash equivalents	1,213
Deferred tax liabilities	(68,598)
Redeemable preference shares	(488)
Trade and other payables	(194,367)
Net identifiable assets and liabilities acquired	208,211
Non-controlling interests, based on proportionate interests in the recognised amounts of the assets and liabilities	(46,847)
Assumption of secured creditors' loans	100,277
Gain on bargain purchase arising from business combination	(65,937)
Purchase consideration	195,704

The trade receivables comprise gross contractual amounts due of $3,493,000, of which $933,000 was expected to be uncollectible at the acquisition date.

Acquisition-related costs

The Group incurred acquisition related costs of $607,000 on legal fees and due diligence costs. These costs have been included in "administrative expenses".

There was no significant business combination undertaken by the Group in 2013.

28 Significant business combination (cont'd)

Measurement of fair values

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the property, plant and equipment acquired.

The valuation techniques used for measuring the fair value of material property, plant and equipment acquired were as follows:

Assets acquired	Valuation technique
Golf course, buildings, improvements and renovation and golf course operating equipment	*Cost technique:* The valuation model considers quoted market prices for similar items when available, and depreciated replacement cost when appropriate. Depreciation replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Hotel buildings, improvements and renovation	*Discounted cash flows:* The valuation model considers the present value of expected cash flows, discounted using risk-adjusted discount rates. The discounted cash flows are determined by considering the possible scenarios of forecast EBITDA.

29 Acquisition of subsidiaries

On 28 March 2014, the Group acquired the following subsidiaries for a total consideration of $64,173,000. The Group's intention was to acquire the land and the Group did not take over any management or operational process from the vendors as it intends to develop and sell the land. The acquisition was accounted for as an acquisition of assets and was out of scope of FRS 103.

Name of subsidiary	Date acquired	Effective interest acquired
Altheim International Ltd	28 March 2014	75.0%
Mewabumi Sdn Bhd	28 March 2014	75.0%
Linyi Properties Sdn Bhd	28 March 2014	75.0%
Mainfield Holding Ltd	28 March 2014	67.5%
Xing Asia Compel Sdn Bhd	28 March 2014	67.5%
Investasia Sdn Bhd	28 March 2014	67.5%

29 Acquisition of subsidiaries (cont'd)

Effects of acquisition

The cash flows and net assets of the subsidiaries acquired are provided below:

	Recognised value 2014 $'000
Development property	141,402
Trade and other payables	(5,392)
Borrowings	(48,635)
Net identifiable assets and liabilities acquired	87,375
Non-controlling interests, based on proportionate interests in the recognised amounts of the assets and liabilities	(23,202)
Purchase consideration	64,173
Portion of consideration for which payment is deferred	(46,024)
Net cash outflow	18,149

30 Commitments

Operating lease commitments – where the Group and the Company are lessees

The Group leases office, warehouse and staff accommodation space under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Not later than one year	1,391	1,722	1,099	1,210
Between two and five years	4	5,977	2	1,091
Later than five years	–	1,119	–	–
	1,395	8,818	1,101	2,301

30 Commitments (cont'd)

Operating lease commitments – where the Group and the Company are lessors

The lessees are required to pay absolute fixed annual increases to the lease payments. The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Not later than one year	4,831	1,019	1,219	1,019
Between two and five years	4,558	4,927	4,558	4,927
Later than five years	–	885	–	885
	9,389	6,831	5,777	6,831

31 Financial guarantee contracts

Financial guarantees given in respect of guarantee for rental deposit and credit terms granted by one of the Group's trade suppliers

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Banker's guarantees	–	4,975	–	1,064

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities granted to subsidiaries. The maximum exposure of the Company is $649,125,000 (2013: $Nil). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantees. The period in which the financial guarantees will expire are as follows:

	Company	
	2014	2013
	$'000	$'000
After one year but within five years	527,077	–
More than five years	122,048	–
	649,125	–

32 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties concerned:

	Group	
	2014	2013
	$'000	$'000
Professional fees paid to a firm in which a director is a member *	186	–
Recovery of expenses from non-controlling interests	(940)	–

* Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

In addition to the above, the Group entered into the following transactions with an affiliated corporation:

(i) On 26 March 2014, the Company's wholly owned subsidiary, Borneo Ventures Pte Ltd ("BVPL") entered into a joint investment of RM700 million (S$270 million) for a 77.5% stake in the Sutera Harbour Resort Sdn Bhd and its group of companies with an affiliated corporation.

The joint investment of RM700 million (S$270 million) comprises of RM250 million (S$96 million) equity subscription of BVPL and RM450 million (S$174 million) cumulative preference redeemable shares ("CPRS") subscription. BVPL subscribed for RM260 million (S$100 million) CPRS and the affiliated corporation subscribed for RM190 million (S$73 million) CPRS. CPRS are fully redeemed as at 31 December 2014.

(ii) On 23 June 2014, GSH Properties Pte Ltd ("GSH Properties") a wholly owned subsidiary of the Company incorporated a 51% owned subsidiary, Plaza Ventures Pte Ltd ("Plaza Ventures") with an affiliated corporation which owns 14% of the shares in Plaza Ventures.

On 25 June 2014, Plaza Ventures and DL Properties Ltd ("DL Properties") entered into a Sale and Purchase Agreement for the purchase of Equity Plaza for an aggregate purchase consideration of S$550 million.

32 Related party transactions (cont'd)

Key management personnel remuneration

Key management personnel remuneration is as follows:

	Group	
	2014	2013
	$'000	$'000
Short-term employee benefits	4,621	2,031
Post-employment benefits (including Central Provident Fund)	56	78
	4,677	2,109

33 Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

33 Financial instruments (cont'd)

Credit risk

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

The Group establishes an allowance for impairment that represents its estimate of the specific loss component in respect of trade and other receivables. The allowance account in respect of trade receivables and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

Cash and cash equivalents

The Group and Company held cash and cash equivalents of $385,887,000 at 31 December 2014 (2013: $486,913,000), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with banks, which are regulated.

Guarantees

The maximum exposure of the Company in respect of the intra-group financial guarantee at the end of the reporting period is $649,125,000 (2013: $Nil). At the reporting date the Company does not consider it probable that a claim will be made against the Company under the financial guarantees.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

33 **Financial instruments (cont'd)**

Liquidity risk (cont'd)

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

			Cash flows		
Group	**Carrying amount $'000**	**Contractual cash flows $'000**	**Within 1 year $'000**	**After 1 year but within 5 years $'000**	**After 5 years $'000**
At 31 December 2014					
Non-derivative financial liabilities					
Trade and other payables*	23,015	(23,015)	(23,015)	–	–
Amounts due to related parties	104,499	(104,499)	(84,712)	(19,787)	–
Secured bank loans	958,085	(1,110,205)	(284,209)	(653,840)	(172,156)
Finance lease liabilities	408	(516)	(149)	(367)	–
Redeemable preference shares	488	(488)	–	–	(488)
	1,086,495	(1,238,723)	(392,085)	(673,994)	(172,644)
Derivative financial instruments					
Forward exchange contracts (net-settled)	434	(434)	(434)	–	–
	434	(434)	(434)	–	–
	1,086,929	(1,239,157)	(392,519)	(673,994)	(172,644)
At 31 December 2013					
Non-derivative financial liabilities					
Trade and other payables*	2,940	(2,940)	(2,940)	–	–
Secured bank loans	211,330	(211,345)	(211,345)	–	–
Trust receipts	2,889	(2,903)	(2,903)		
Finance lease liabilities	52	(59)	(26)	(33)	–
	217,211	(217,247)	(217,214)	(33)	–
Derivative financial instruments					
Forward exchange contracts (net-settled)	502	(502)	(502)	–	–
	502	(502)	(502)	–	–
	217,713	(217,749)	(217,716)	(33)	–

* Excludes advance payments from customers

33 Financial instruments (cont'd)

Liquidity risk (cont'd)

			Cash flows		
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**After 1 year but within 5 years $'000**	**After 5 years $'000**
Company					
At 31 December 2014					
Non-derivative financial liabilities					
Trade and other payables*	4,195	(4,195)	(4,195)	–	–
Amounts due to related parties	7,136	(7,136)	(7,136)	–	–
Secured bank loans	254,000	(254,716)	(254,716)	–	–
Finance lease liabilities	31	(35)	(28)	(7)	–
Recognised financial liabilities	265,362	(266,082)	(266,075)	(7)	–
Intra-group financial guarantees	–	(649,125)	–	(527,077)	(122,048)
	265,362	(915,207)	(266,075)	(527,084)	(122,048)
Derivative financial instruments					
Forward exchange contracts (net-settled)	434	(434)	(434)	–	–
	434	(434)	(434)	–	–
	265,796	(915,641)	(266,509)	(527,084)	(122,048)
At 31 December 2013					
Non-derivative financial liabilities					
Trade and other payables*	1,008	(1,008)	(1,008)	–	–
Amounts due to related parties	83,934	(83,934)	(83,934)	–	–
Secured bank loans	211,330	(211,345)	(211,345)	–	–
Recognised financial liabilities	296,272	(296,287)	(296,287)	–	–
Derivative financial instruments					
Forward exchange contracts (net-settled)	502	(502)	(502)	–	–
	502	(502)	(502)	–	–
	296,774	(296,789)	(296,789)	–	–

* Excludes advance payments from customers

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities based on their earliest possible contractual maturity. Except for the cash flows arising from the intra-group financial guarantees, it is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

33 Financial instruments (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's interest-bearing loan obligations and fixed deposits placed with financial institutions. The Group is not exposed to significant interest rate fluctuation. The Group does not use derivative financial instruments to hedge its interest rate risk.

At the reporting date, the interest rate profile of the Group and the Company's interest-bearing financial instruments is as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Variable rate instrument				
Secured bank loans	958,085	211,330	254,000	211,330

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 bp in interest rates at the reporting dates would have increased/(decreased) profit before tax by the amounts shown below. There is no effect to the equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

	Profit before tax	
	50 bp Increase	50 bp Decrease
	$'000	$'000
Group		
2014		
Variable rate instruments	(4,790)	4,790
2013		
Variable rate instruments	(1,057)	1,057

33 Financial instruments (cont'd)

Cash flow sensitivity analysis for variable rate instruments (cont'd)

	Profit before tax	
	50 bp Increase	**50 bp Decrease**
	$'000	**$'000**
Company		
2014		
Variable rate instruments	(1,270)	1,270
2013		
Variable rate instruments	(1,057)	1,057

The sensitivity analysis is illustrative only and is based on simplified scenarios. The table shows interest rate risk exposures arising in interest-bearing liabilities. These particular exposures form only part of the Group's overall interest rate exposures.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings, including intercompany sales, purchases and intercompany balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which those transactions primarily are denominated are United States Dollars ("USD"), Malaysian Ringgit ("MYR") and United Arab Emirates Dirham ("AED").

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	SGD	USD	MYR	AED
	$'000	**$'000**	**$'000**	**$'000**
Group				
As at 31 December 2014				
Cash and cash equivalents	–	8,717	5	572
Trade and other receivables	–	9,003	–	–
	–	17,720	5	572
As at 31 December 2013				
Cash and cash equivalents	43,486	–	–	657
Trade and other receivables	2,217	5,246	792	–
Trade and other payables	(1,093)	–	–	–
Loans and borrowings	(52)	–	–	–
	44,558	5,246	792	657

33 Financial instruments (cont'd)

Foreign currency risk **(cont'd)**

	SGD $'000	USD $'000	MYR $'000	AED $'000
Company				
As at 31 December 2014				
Cash and cash equivalents	–	8,690	5	–
Trade and other receivables	–	9,003	–	–
	–	17,693	5	–
As at 31 December 2013				
Cash and cash equivalents	40	–	–	–
Trade and other receivables	1,492	–	792	–
Trade and other payables	(630)	–	–	–
	902	–	792	–

Sensitivity analysis

A 5% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting dates held by the Group would increase/(decrease) profit, and accumulated profits, before any tax effect by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2014 $'000	2013 $'000
Group		
SGD	–	2,228
USD	886	262
MYR	–	40
AED	29	33
	915	2,563
Company		
SGD	–	45
USD	885	–
MYR	–	40
	885	85

33 Financial instruments (cont'd)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amounts					Fair value			
	Note	Loans and receivables $'000	Asset at fair value through profit or loss $'000	Available-for-sale financial assets $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
31 December 2014										
Financial assets not measured at fair value										
Trade and other receivables *	12	16,119	–	–	–	16,119				
Cash and cash equivalents	14	385,887	–	–	–	385,887				
		402,006	–	–	–	402,006				
Financial liabilities measured at fair value										
Derivative financial liabilities	19	–	(434)	–	–	(434)	–	(434)	–	(434)
Financial liabilities not measured at fair value										
Trade and other payables **	18	–	–	–	(23,015)	(23,015)				
Loans and borrowings	17	–	–	–	(958,981)	(958,981)	–	(941,494)	–	(941,494)
Amounts due to related parties	13	–	–	–	(104,499)	(104,499)				
		–	–	–	(1,086,495)	(1,086,495)				

* Excludes advances to suppliers and prepayments

** Excludes advance payments from customers

33 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

		Carrying amounts					Fair value			
	Note	Loans and receivables $'000	Asset at fair value through profit or loss $'000	Available-for-sale financial assets $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
31 December 2013										
Financial assets measured at fair value										
Other investments	9	–	–	8	–	8	–	–	8	8
Financial assets not measured at fair value										
Trade and other receivables *	12	43,704	–	–	–	43,704				
Cash and cash equivalents	14	486,913	–	–	–	486,913				
		530,617	–	–	–	530,617				
Financial liabilities measured at fair value										
Derivative financial liabilities	19	–	(502)	–	–	(502)	–	(502)	–	(502)
Financial liabilities not measured at fair value										
Trade and other payables **	18	–	–	–	(2,940)	(2,940)				
Loans and borrowings	17	–	–	–	(214,271)	(214,271)	–	(200,662)	–	(200,662)
		–	–	–	(217,211)	(217,211)				

* Excludes advances to suppliers and prepayments

** Excludes advance payments from customers

33 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

		Carrying amounts					Fair value			
	Note	Loans and receivables $'000	Asset at fair value through profit or loss $'000	Available-for-sale financial assets $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company										
31 December 2014										
Financial assets not measured at fair value										
Trade and other receivables *	12	11,555	–	–	–	11,555				
Amounts due from related parties	13	262,978	–	–	–	262,978				
Cash and cash equivalents	14	312,442	–	–	–	312,442				
		586,975	–	–	–	586,975				
Financial liabilities measured at fair value										
Derivative financial liabilities	19	–	(434)	–	–	(434)	–	(434)	–	(434)
Financial liabilities not measured at fair value										
Trade and other payables **	18	–	–	–	(4,195)	(4,195)				
Loans and borrowings	17	–	–	–	(254,031)	(254,031)	–	(241,812)	–	(241,812)
Amounts due to related parties	13	–	–	–	(7,136)	(7,136)				
		–	–	–	(265,362)	(265,362)				

* Excludes advances to suppliers and prepayments

** Excludes advance payments from customers

33 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Carrying amounts: Loans and receivables $'000	Carrying amounts: Asset at fair value through profit or loss $'000	Carrying amounts: Available-for-sale financial assets $'000	Carrying amounts: Other financial liabilities $'000	Carrying amounts: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
Company										
31 December 2013										
Financial assets not measured at fair value										
Trade and other receivables *	12	2,608	–	–	–	2,608				
Amounts due from related parties	13	345,563	–	–	–	345,563				
Cash and cash equivalents	14	260,957	–	–	–	260,957				
		609,128	–	–	–	609,128				
Financial liabilities measured at fair value										
Derivative financial liabilities	19	–	(502)	–	–	(502)	–	(502)	–	(502)
Financial liabilities not measured at fair value										
Trade and other payables **	18	–	–	–	(1,008)	(1,008)				
Loans and borrowings	17	–	–	–	(211,330)	(211,330)	–	(200,610)	–	(200,610)
Amounts due to related parties	13	–	–	–	(83,934)	(83,934)				
		–	–	–	(296,272)	(296,272)				

* Excludes advances to suppliers and prepayments

** Excludes advance payments from customers

33 Financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between unobservable input and fair value measurement
Group and company			
Forward exchange contracts	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	Valuation techniques	Significant unobservable inputs
Group and Company		
Other financial liabilities *	*Discounted cash flows*	Not applicable

* Other financial liabilities include secured bank loans, redeemable preference shares and finance lease liabilities.

Transfer between Level 1 and 2

There were no transfer between Level 1 and 2 in 2014 and 2013.

34 Non-controlling interest

The following subsidiaries have material non-controlling interest ("NCI").

Name	Principal places of business/ Country of incorporation	Operating segment	Ownership interests held by NCI 2014 %	2013 %
The Sutera Harbour Group Sdn Bhd subgroup ("The Sutera Harbour")	Malaysia	Hospitality	22.5	–
Investasia Sdn Bhd ("Investasia")	Malaysia	Property development	32.5	–
Linyi Properties Sdn Bhd ('Linyi Properties")	Malaysia	Property development	25.0	–
Plaza Ventures Pte Ltd ("Plaza Ventures")	Singapore	Property development	49.0	–

34 Non-controlling interest (cont'd)

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective (consolidated) financial statements prepared in accordance with FRS.

	The Sutera Harbour $'000	Investasia $'000	Linyi Properties $'000	Plaza Ventures $'000
2014				
Revenue	41,674	–	–	–
(Loss)/Profit	(25,558)	(1,413)	13	4,661
Other comprehensive income	(3,664)	–	–	–
Total comprehensive income	(29,222)	(1,413)	13	4,661
Attributable to NCI:				
- (Loss)/Profit	(5,751)	(460)	3	2,284
- Other comprehensive income	(824)	–	–	–
- Total comprehensive income	(6,575)	(460)	3	2,284
Non-current assets	446,054	3	–	–
Current assets	20,227	14,262	19,131	631,673
Non-current liabilities	(242,570)	–	–	(440,000)
Current liabilities	(29,854)	(18,723)	(958)	(141,012)
Net assets/(liabilities)	193,857	(4,458)	18,173	50,661
Net assets attributable to NCI	43,618	(1,449)	4,543	24,824
Cash flows from operating activities	(195,457)	244	2	(560,594)
Cash flows from investing activities	13,744	(4)	–	40
Cash flows from financing activities (dividends to NCI: nil)	193,151	–	–	618,500
Net increase in cash and cash equivalents	11,438	240	2	57,946

35 Comparative figures

The comparative figures for the financial year ended 31 December 2013 were audited by another firm of Chartered Accountants.

Comparative figures have been re-presented as a result of the change in functional and presentation currencies of the Company. In line with the change in functional currency, the presentation currency of the Company and the Group was changed from US$ to $.

The comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

STATISTICS OF **SHAREHOLDINGS**

As at 18 March 2015

SHARE CAPITAL

Number of Shares	:	9,885,180,250
Class of Shares	:	Ordinary Shares
Voting rights	:	One vote per Share
Ordinary Shares held as Treasury Shares	:	NIL

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	31	0.73	720	0.00
100 - 1,000	215	5.10	127,635	0.00
1,001 - 10,000	391	9.28	2,476,194	0.03
10,001 - 1,000,000	3,347	79.41	556,500,962	5.63
1,000,001 AND ABOVE	231	5.48	9,326,074,739	94.34
TOTAL	**4,215**	**100.00**	**9,885,180,250**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	GOI SENG HUI	4,690,258,676	47.45
2	EE GUAN HUI GILBERT	788,147,392	7.97
3	CITIBANK NOMINEES SINGAPORE PTE LTD	663,314,430	6.71
4	GOODVIEW PROPERTIES PTE LTD	500,000,000	5.06
5	SKYVEN GROWTH OPPORTUNITIES FUND PTE LTD	429,393,665	4.34
6	OCBC SECURITIES PRIVATE LIMITED	260,365,040	2.63
7	RAFFLES NOMINEES (PTE) LIMITED	234,147,008	2.37
8	MAH BOW TAN	184,000,000	1.86
9	CIMB SECURITIES (SINGAPORE) PTE. LTD.	174,880,552	1.77
10	NEO INVESTMENT HOLDINGS PTE LTD	79,900,000	0.81
11	DB NOMINEES (SINGAPORE) PTE LTD	78,159,000	0.79
12	ABN AMRO NOMINEES SINGAPORE PTE LTD	75,000,000	0.76
13	DBS NOMINEES (PRIVATE) LIMITED	73,067,961	0.74
14	HONG LEONG FINANCE NOMINEES PTE LTD	48,765,000	0.49
15	CHENG CHIH LI @ THIE TJIE LIEP	48,000,000	0.49
16	HSBC (SINGAPORE) NOMINEES PTE LTD	40,460,000	0.41
17	UOB KAY HIAN PRIVATE LIMITED	39,416,000	0.40
18	MAYBANK KIM ENG SECURITIES PTE. LTD.	32,271,714	0.33
19	BANK OF SINGAPORE NOMINEES PTE. LTD.	31,122,500	0.31
20	CHANDRA DAS NARESHKUMAR	30,000,000	0.30
	TOTAL	**8,500,668,938**	**85.99**

STATISTICS OF
SHAREHOLDINGS

As at 18 March 2015

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2015

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Goi Seng Hui	4,690,258,676	47.45	-	-
Gilbert Ee Guan Hui	788,147,392	7.97	-	-
Goodview Properties Pte Ltd	500,000,000	5.06	-	-
Far East Organization Centre Pte Ltd	-	-	500,000,000(1)	5.06
Lippo Capital Limited	-	-	495,107,338(2)	5.01
Lanius Limited	-	-	495,107,338(3)	5.01

Notes:

(1) Far East Organisation Centre Pte. Ltd. has a controlling interest in Goodview Properties Pte Ltd and is therefore deemed to be interested in the 500,000,000 shares held by Goodview Properties Pte Ltd in the Company.

(2) Lippo Capital Limited is the holding company of an entity which has joint control of Lippo ASM Asia Property Limited, which is a holding company of OUE Limited. OUE Limited has a direct interest in 96,300,000 Shares. In addition, Lippo Capital Limited is the holding company of Golden Super Holdings Limited and Lippo Assets (International Limited). Golden Super Holdings Limited and Lippo Assets (International Limited) has a direct interest in 388,807,338 and 10,000,000 Shares respectively. Lippo Capital Limited is therefore deemed to be interested in 495,107,338 Shares.

(3) Lanius Limited holds the entire issued share capital of Lippo Capital Limited, and is therefore deemed to be interested in 495,107,338 Shares.

PUBLIC FLOAT

As at 18 March 2015, approximately 34.5% of the issued ordinary capital shares of the Company are held by public. Rule 723 of the SGX Listing Manual has been complied with.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of GSH Corporation Limited ("the Company") will be held at 11 Changi North Way, GSH Centre Singapore 498796 on Wednesday, 22 April 2015 at 2.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend of 0.05 Singapore cent per ordinary share (one-tier tax exempt) for the financial year ended 31 December 2014. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Article 91 of the Articles of Association of the Company:

   Kenneth Goi Kok Ming **(Resolution 3)**
   Juliette Lee Hwee Khoon **(Resolution 4)**

   Juliette Lee Hwee Khoon will, upon re-election as Director of the Company, remain as a member of the Audit Committee and Remuneration Committee and will be considered non-independent.

4. To re-appoint Huang Lui, a director of the Company retiring under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.

   Huang Lui will, upon re-appointment as a Director of the Company, remain as Chairman of the Nominating Committee and as a member of the Audit Committee and Remuneration Committee, and will be considered independent. **(Resolution 5)**

   [See Explanatory Note (i)]

5. To approve the payment of additional Director's fees amounting to S$32,920 for the financial year ended 31 December 2014. **(Resolution 6)**

6. To approve the payment of Directors' fees amounting to S$287,800 for the financial year ending 31 December 2015, to be paid quarterly in arrears. (2014: S$254,880) **(Resolution 7)**

7. To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration **(Resolution 8)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF
ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolutions, with or without any modifications:

9. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (**excluding treasury shares**) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (**excluding treasury shares**) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (**excluding treasury shares**) shall be based on the total number of issued shares (**excluding treasury shares**) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 9)**

By Order of the Board

Lynn Wan Tiew Leng
Ng Tze Lee
Company Secretaries
Singapore, 7 April 2015

Explanatory Notes:

(i) The effect of the Ordinary Resolution 5 and proposed in item 4 above, is to re-appoint a director of the Company who is over 70 years of age and if passed, he will hold office until the next Annual General Meeting. Such re-appointment of a director will no longer be subject to shareholders' approval under Section 153(6) of the Companies Act, Cap. 50 as repealed when the Companies (Amendment) Act 2014 comes into force. The director will then be subject to retirement by rotation under the Company's Articles of Association.

(ii) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (**excluding treasury shares**) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (**excluding treasury shares**) will be calculated based on the total number of issued shares (**excluding treasury shares**) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

NOTICE OF
ANNUAL GENERAL MEETING

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 11 Changi North Way, GSH Centre Singapore 498796 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

GSH CORPORATION LIMITED

[Company Registration No. 200106139K]

(Incorporated In The Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy GSH Corporation Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____

of ____

being a member/members of GSH Corporation Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 11 Changi North Way, GSH Centre Singapore 498796 on Wednesday, 22 April 2015 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the financial year ended 31 December 2014.		
2	Approval of one-tier tax exempt final dividend		
3	Re-election of Kenneth Goi Kok Ming as a Director		
4	Re-election of Juliette Lee Hwee Khoon as a Director		
5	Re-appointment of Huang Lui as a Director		
6	Approval of additional Directors' fees amounting to S$32,920 for the financial year ending 31 December 2014		
7	Approval of Directors' fees amounting to S$287,800 for the financial year ending 31 December 2015, to be paid quarterly in arrears		
8	Re-appointment of Messrs KPMG LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration		
9	Authority to issue shares		

Dated this ____________ day of __________________ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

....

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 11 Changi North Way, GSH Centre, Singapore 498796 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 April 2015.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Designed
& Produced by
+65 6880 2828 Xpress®

GSH CORPORATION LIMITED

11 Changi North Way, Singapore 498796
Tel: (65) 6248 5333 | (65) 6841 1000
Fax: (65) 6881 1000