



# TSH Corporation Limited

Company Registration Number: 200003865N

(Incorporated in the Republic of Singapore)

## Half-Year Unaudited Financial Statement Announcement for the Financial Period Ended 30 June ("1H") 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").

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The contact person for the Sponsor is Mr David Yeong (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

### **Background**

TSH Corporation Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") were formed pursuant to a reverse takeover (the "**RTO**") by Sloshed! Pte. Ltd. ("**Sloshed**" and together with its subsidiaries, "**Sloshed Group**") which was completed on 7 February 2019. Prior to the completion of the RTO, Sloshed undertook a restructuring exercise for the purposes of consolidating interests of The Other Room Pte. Ltd. ("**ROOM**") and The Other Roof Pte. Ltd. ("**ROOF**"), which are of the same business, under Sloshed. Please refer to the Company's circular dated 31 December 2018 for further details of the RTO and the restructuring exercise.

The principal activity of Sloshed is that of an investment holding company. Sloshed Group is principally engaged in the business of operating a multi-concept chain of pubs and bars, import and distribution of spirits, wines and liquors.

### **Group Level**

Following the completion of the RTO, the Company's wholly-owned subsidiary, Sloshed, is deemed as the accounting acquirer that has acquired the Company (the accounting acquiree) for accounting purposes. As such, the consolidated financial statements have been prepared and presented as a continuation of Sloshed Group.

Accordingly, the consolidated financial statements of the Group for 1H2019 have been presented as a continuation of Sloshed Group's financial results and operations, in accordance with the following:

- 1) The assets and liabilities of Sloshed Group are recognised and measured in the consolidated statement of financial position at their pre-acquisition carrying amount;
- 2) The assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position at their acquisition date fair value;
- 3) The retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of Sloshed Group immediately before the RTO;
- 4) The amount recognised in the issued equity interest in the consolidated financial statements is computed by adding the issued equity of Sloshed immediately before the RTO to the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements (ie. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to affect the combination; and
- 5) The comparative figures in these consolidated financial statements are those of the consolidated financial statements of Sloshed Group.

Following the completion of the RTO, the principal businesses of the Group are those of Slosed Group. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in Singapore Financial Reporting Standards (International) ("SFRS(I)") 3 - "Business Combinations", but it does not result in the recognition of goodwill, as the Company was deemed as a cash company under Rule 1017 of the Catalist Rules and did not meet the definition of a business as set out in SFRS(I) 3. Instead, such transaction falls within the scope of SFRS(I) 2 "Share-based Payment", which requires the shares deemed issued by the legal subsidiary (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets represents a "service" received by the legal subsidiary, Slosed, which is recognised as an expense or income in the statement of comprehensive income.

#### **Slosed Group Level**

Following the completion of the restructuring exercise, Slosed Group comprising Slosed and its subsidiaries, and ROOM and ROOF, were accounted for using the pooling-of-interest method. Under this method, assets and liabilities are brought into the consolidated financial statements of Slosed at their existing carrying amounts from the perspective of the controlling party and the consolidated statement of comprehensive income includes the results of the acquired entities since the earliest date the entities are under common control.

As such, the comparative financial performance of Slosed Group for the corresponding six (6) months ended 30 June 2018 includes the financial performance of ROOM (ROOF was operational only in the six (6) months ended 31 December 2018 ("2H2018")) and the financial position of Slosed Group as at 31 December 2018 includes the financial positions of both ROOM and ROOF.

#### **Company Level**

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. As such, the investment in Slosed recorded in the Company's financial statements is accounted for at cost less accumulated impairment losses, if any.

Notes:

- i) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for 1H2019 refer to the results of Slosed Group from 1 January to 30 June 2019 and the results of the Company from 7 February to 30 June 2019.
- ii) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for 1H2018 refer to the results of Slosed Group from 1 January to 30 June 2018.
- iii) The Group's consolidated statement of financial position as at 30 June 2019 refers to the consolidated financial position of Slosed Group and the Company.
- iv) The Group's consolidated statement of financial position as at 31 December 2018 refers to the consolidated financial position of Slosed Group.
- v) The Company's statement of financial position as at 31 December 2018 and 30 June 2019 refer to that of the Company.
- vi) The Company's statement of changes in equity for 1H2019 and 1H2018 refer to that of the Company.

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Statement of Comprehensive Income**

	The Group		Increase/ (Decrease)
	For the 6 months ended		
	30/6/2019 S\$'000	30/6/2018 S\$'000	
Revenue	3,878	3,345	15.9%
Cost of sales	(1,057)	(1,157)	-8.6%
<b>Gross profit</b>	<b>2,821</b>	<b>2,188</b>	28.9%
Other income	289	118	144.9%
Administrative expenses	(1,765)	(1,346)	31.1%
Marketing and distribution expenses	(105)	(28)	275.0%
Finance costs	(34)	(2)	n.m.
Other expenses	(851)	(167)	409.6%
Share of results of associate	-	(2)	n.m.
<b>Profit before tax</b>	<b>355</b>	<b>761</b>	-53.4%
Income tax expense	(18)	(88)	-79.5%
<b>Profit for the period</b>	<b>337</b>	<b>673</b>	-49.9%
<b>Other comprehensive income:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	(1)	2	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<b>(1)</b>	<b>2</b>	
<b>Total comprehensive income for the period</b>	<b>336</b>	<b>675</b>	-50.2%
<b>Profit for the period attributable to:</b>			
Owners of the Company	<b>337</b>	<b>673</b>	-49.9%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	<b>336</b>	<b>675</b>	-50.2%

n.m. - not meaningful

**1(a)(ii) Notes to the statement of comprehensive income**

	For the 6 months ended	
	30/6/2019 S\$'000	30/6/2018 S\$'000
<b>Profit before taxation is arrived at after charging/(crediting) the following:-</b>		
Amortisation of right-of-use assets	495	-
Depreciation of plant and equipment	220	126
Interest on borrowing	7	2
Gain on reverse acquisition	(249)	-
Professional fees and expenses in relation to the reverse acquisition	137	33
<b>Taxation:</b>		
Provision in respect of profit for the period		
- current tax	34	88
- deferred tax	(16)	-
	<b>18</b>	<b>88</b>

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

**Statement of Financial Position**

	The Group		The Company	
	30/6/2019 S\$'000	31/12/2018 S\$'000	30/6/2019 S\$'000	31/12/2018 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	1,042	1,224	-	-
Right-of-use assets	1,715	-	-	-
Investment in subsidiaries	-	-	12,287	-
Investment in associate	2	3	-	-
Other receivables	225	225	-	-
Deferred tax assets	105	89	-	-
	<b>3,089</b>	<b>1,541</b>	<b>12,287</b>	<b>-</b>
<b>Current assets</b>				
Inventories	2,788	2,799	-	-
Trade and other receivables	602	537	308	6
Restricted deposit	-	-	-	4,278
Cash and bank balances	5,401	983	4,560	1,056
	<b>8,791</b>	<b>4,319</b>	<b>4,868</b>	<b>5,340</b>
<b>Total assets</b>	<b>11,880</b>	<b>5,860</b>	<b>17,155</b>	<b>5,340</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	1,396	1,829	262	479
Contract liabilities	27	29	-	-
Lease liabilities	227	-	-	-
Borrowing	-	50	-	-
Income tax payable	78	218	-	-
	<b>1,728</b>	<b>2,126</b>	<b>262</b>	<b>479</b>
<b>Net current assets</b>	<b>7,063</b>	<b>2,193</b>	<b>4,606</b>	<b>4,861</b>
<b>Non-current liabilities</b>				
Lease liabilities	1,514	-	-	-
Provision for restoration costs	125	125	-	-
Deferred tax liabilities	6	6	-	-
	<b>1,645</b>	<b>131</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>3,373</b>	<b>2,257</b>	<b>262</b>	<b>479</b>
<b>Net assets</b>	<b>8,507</b>	<b>3,603</b>	<b>16,893</b>	<b>4,861</b>
<b>Equity attributable to the owners of the Company</b>				
Share capital	4,569	1	12,546	259
Capital reserve	1,452	1,452	-	-
Foreign currency translation reserve	5	6	-	-
Revenue reserve	2,481	2,144	4,347	4,602
<b>Total equity</b>	<b>8,507</b>	<b>3,603</b>	<b>16,893</b>	<b>4,861</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

<b>As at 30/6/2019</b>		<b>As at 31/12/2018</b>	
<b>S\$'000</b>		<b>S\$'000</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	-	50	-

**Amount repayable after one year**

<b>As at 30/6/2019</b>		<b>As at 31/12/2018</b>	
<b>S\$'000</b>		<b>S\$'000</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	-	-	-

**Details of any collateral**

The borrowing was secured by personal guarantees from certain directors.

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

**Statement of Cash Flows**

	<b>The Group</b>	
	<b>For the 6 months ended</b>	
	<b>30/6/2019</b> S\$'000	<b>30/6/2018</b> S\$'000
<b>Operating Activities</b>		
Profit before tax	<b>355</b>	<b>761</b>
Adjustments for:		
Amortisation of right-of-use assets	495	-
Depreciation of plant and equipment	220	126
Finance costs	34	2
Interest income	(5)	-
Plant and equipment written off	1	-
Share of results of associate	-	2
Gain on reverse acquisition	(249)	-
Professional fees and expenses in relation to the reverse acquisition	137	33
<b>Operating cash flows before changes in working capital</b>	<b>988</b>	<b>924</b>
<i>Changes in working capital</i>		
Decrease/(Increase) in inventories	12	(31)
Increase in trade and other receivables	(44)	(31)
Decrease in trade and other payables and contract liabilities	(408)	(136)
<b>Net cash flows from operations</b>	<b>548</b>	<b>726</b>
Interest paid	(7)	(2)
Income taxes paid	(174)	(1)
<b>Net cash flows from operating activities</b>	<b>367</b>	<b>723</b>
<b>Investing Activities</b>		
Interest received	5	-
Cash inflow from reverse acquisition, net of expenses	4,685	-
Purchase of plant and equipment	(93)	(21)
<b>Net cash flows generated from/(used in) investing activities</b>	<b>4,597</b>	<b>(21)</b>
<b>Financing Activities</b>		
Decrease in amounts due to shareholders	-	(520)
Payment of interest for lease liabilities	(27)	-
Payment of lease liabilities	(469)	-
Repayment of borrowing	(50)	(50)
<b>Net cash flows used in financing activities</b>	<b>(546)</b>	<b>(570)</b>
Net increase in cash and cash equivalents	4,418	132
Cash and cash equivalents at 1 January	983	878
<b>Cash and cash equivalents at 30 June (Note A)</b>	<b>5,401</b>	<b>1,010</b>

**Note A:**

For the purpose of the statement of cash flows, the cash and cash equivalents at the end of the financial period comprised the following:

	<b>30/6/2019</b> S\$'000	<b>30/6/2018</b> S\$'000
Cash on hand and at bank	3,400	1,010
Fixed deposits	2,001	-
<b>Cash and cash equivalents</b>	<b>5,401</b>	<b>1,010</b>

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

**Statement of Changes in Equity**

The Group	Share capital S\$'000	Revenue reserve S\$'000	Other reserves		Total equity S\$'000
			Capital reserve S\$'000	Foreign currency translation reserve S\$'000	
<b>As at 1 January 2019</b>	<b>1</b>	<b>2,144</b>	<b>1,452</b>	<b>6</b>	<b>3,603</b>
Profit for the period	-	337	-	-	337
<u>Other comprehensive income</u>					
Foreign currency translation, representing other comprehensive income for the period, net of tax	-	-	-	(1)	(1)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>337</b>	<b>-</b>	<b>(1)</b>	<b>336</b>
<b>Contribution by and distribution to owners</b>					
Adjustment to share capital as a result of reverse acquisition, representing total transaction with owners	4,568	-	-	-	4,568
<b>As at 30 June 2019</b>	<b>4,569</b>	<b>2,481</b>	<b>1,452</b>	<b>5</b>	<b>8,507</b>
<b>As at 1 January 2018</b>	<b>1</b>	<b>1,758</b>	<b>-</b>	<b>4</b>	<b>1,763</b>
Profit for the period	-	673	-	-	673
<u>Other comprehensive income</u>					
Foreign currency translation, representing other comprehensive income for the period, net of tax	-	-	-	2	2
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>673</b>	<b>-</b>	<b>2</b>	<b>675</b>
<b>As at 30 June 2018</b>	<b>1</b>	<b>2,431</b>	<b>-</b>	<b>6</b>	<b>2,438</b>

The Company	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<b>As at 1 January 2019</b>	<b>259</b>	<b>4,602</b>	<b>4,861</b>
Loss for the period	-	(255)	(255)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(255)</b>	<b>(255)</b>
<b>Contribution by and distribution to owners</b>			
Issue of shares for reverse acquisition, representing total transaction with owners	12,287	-	12,287
<b>As at 30 June 2019</b>	<b>12,546</b>	<b>4,347</b>	<b>16,893</b>
<b>As at 1 January 2018</b>	<b>259</b>	<b>5,379</b>	<b>5,638</b>
Loss for the period	-	(777)	(777)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(777)</b>	<b>(777)</b>
<b>As at 30 June 2018</b>	<b>259</b>	<b>4,602</b>	<b>4,861</b>

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

**Share Capital - Ordinary Shares**

	<b>No. of ordinary shares</b>	<b>Share Capital S\$</b>
As at 1 January 2019	240,443,565	258,805
Share consolidation	(228,421,407)	-
Issue of shares pursuant to proposed reverse acquisition	32,333,333	12,286,667
As at 30 June 2019	44,355,491	12,545,472

On 7 February 2019, the Company completed:

- the proposed share consolidation of every twenty (20) existing shares into one (1) consolidated share (the "**Share Consolidation**"). Accordingly, the share capital of S\$258,805 was divided into 12,022,158 consolidated shares;
- the issuance of 32,333,333 ordinary shares as consideration for the RTO with value of S\$12,286,667 on 7 February 2019.

There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2019 and 2018.

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

Total number of issued shares excluding treasury shares was 44,355,491 and 12,022,158 (after Share Consolidation) as at 30 June 2019 and 31 December 2018.

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

Not applicable. The Company had no treasury shares in 1H2019 and as at 30 June 2019.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company had no subsidiary holdings in 1H2019 and as at 30 June 2019.



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

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the audited financial statements for the financial year ended 31 December 2018, except for the adoption of all applicable new and revised SFRS(I) and Interpretations to SFRS(I)s ("**SFRS(I) INT**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2019.

The adoption of these SFRS(I) and SFRS(I) INT did not result in any substantial changes to the Company's accounting policies or have any material effect on the financial statements for the current financial period reported on, except for the adoption of SFRS(I) 16 - Leases.

The Group adopted SFRS(I) 16 - Leases on 1 January 2019. At the date of initial application, the Group recognised the rights to use leased assets as right-of-use assets and their associated obligations as lease liabilities. The Group applied this standard using the modified retrospective approach. Therefore, the 1H2018 comparative figures have not been restated as the Group has applied the standard retrospectively with the cumulative effect recognised at the date of initial application.

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

Refer to Section 4 above.

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

	<b>The Group</b>	
	<b>For the 6 months ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	Cents	Cents
Basic <sup>(1)</sup>	0.80	2.08
Diluted <sup>(2)</sup>	0.80	2.08

**Notes:-**

(1) In connection with the RTO, the weighted average number of ordinary shares (32,333,333 shares) for 1H2018 is calculated based on the number of ordinary shares issued by the Company to the owners of Slosed! Pte. Ltd. ("**RTO Shares**"), which is the number of shares deemed to be outstanding from the beginning of the period to 30 June 2018. The weighted average number of ordinary shares (42,351,798 shares) for 1H2019 is calculated based on the RTO Shares, which is deemed to be outstanding from the beginning of the period to 30 June 2019, and the weighted average number of ordinary shares (after Share Consolidation) of the Company outstanding from the date of completion of the RTO to 30 June 2019.

(2) There were no potential dilutive ordinary shares in 1H2019 and 1H2018.

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

	The Group		The Company	
	30/6/2019 Cents	31/12/2018 Cents	30/6/2019 Cents	31/12/2018 Cents
Net asset value per ordinary share <sup>(1)</sup>	19.18	11.14	38.09	40.43

**Note:-**

(1) The net asset value per ordinary share for the Group as at 30 June 2019 was calculated based on the net assets divided by 44,355,491 shares (31 December 2018: 32,333,333 shares). The net asset value per ordinary share for the Company as at 30 June 2019 was calculated based on the net assets divided by 44,355,491 shares (31 December 2018: 12,022,158 shares (after Share Consolidation)).

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

**Statement of Comprehensive Income**

The revenue of the Group increased by S\$0.53m or 15.9% from S\$3.35m in 1H2018 to S\$3.88m in 1H2019 due mainly to the contribution of the new outlets which commenced operations in 2H2018.

The gross profit of the Group increased by S\$0.63m or 28.9% from S\$2.19m in 1H2018 to S\$2.82m in 1H2019 due mainly to higher revenue as well as the sale of items with better profit margin.

The profit before taxation decreased by S\$0.41m or 53.4% from S\$0.76m in 1H2018 to S\$0.36m in 1H2019 due mainly to higher expenses incurred of S\$1.21m, but moderated by higher other income generated of S\$0.17m in 1H2019.

The other expenses increased by S\$0.68m from S\$0.17m in 1H2018 to S\$0.85m in 1H2019 due mainly to the amortisation of right-of-use assets of S\$0.50m (1H2018: S\$Nil) as a result of the adoption of SFRS(I) 16, higher depreciation of S\$0.09m attributed mainly to the new outlets and higher professional fees and expenses in relation to the reverse acquisition of S\$0.10m.

The administrative expenses increased by S\$0.42m or 31.1% from S\$1.35m in 1H2018 to S\$1.77m in 1H2019 due mainly to higher staff costs and compliance costs incurred to support the Group and the new outlets, but moderated by lower operating lease expenses as a result of the adoption of SFRS(I) 16.

The increase in marketing and distribution expenses by S\$0.08m from S\$0.03m in 1H2018 to S\$0.11m in 1H2019 was due mainly to the marketing expenses incurred for the new outlets and the public relation expenses incurred for the Group.

The finance costs increased by S\$0.03m due mainly to the recognition of interest on lease liabilities according to SFRS(I) 16.

The increase in other income of S\$0.17m from S\$0.12m in 1H2018 to S\$0.29m in 1H2019 was due to the gain on reverse acquisition of S\$0.25m recognised as a result of lower market value of the Company than its net assets value at completion of the RTO, but moderated by the absence of commission income arising from sales and purchases in 1H2019 (1H2018: S\$0.08m).

As a result of the above, the Group reported a decrease in profit for the period of S\$0.34m or 49.9% from S\$0.67m in 1H2018 to S\$0.34m in 1H2019.

### **Statement of Financial Position**

The non-current assets increased by S\$1.55m from S\$1.54m as at 31 December 2018 to S\$3.09m as at 30 June 2019 due mainly to the right-of-use assets of S\$1.72m recognised as a result of the adoption of SFRS(I) 16, but moderated by the decrease in plant and equipment of S\$0.18m due mainly to the depreciation charge in 1H2019.

The current assets increased by S\$4.47m from S\$4.32m as at 31 December 2018 to S\$8.79m as at 30 June 2019 due to the increase in cash and bank balances of S\$4.42m as a result of the inclusion of the bank balances of the Company after the completion of the RTO, and the increase in trade and other receivables of S\$0.07m attributed mainly to the increase in advances to suppliers for the purchase of beverages.

The current liabilities decreased by S\$0.40m from S\$2.13m as at 31 December 2018 to S\$1.73m as at 30 June 2019 due mainly to the decrease in trade and other payables of S\$0.43m attributed mainly to the payment of professional fees and expenses in relation to the reverse acquisition, the decrease in income tax payable of S\$0.14m, and the repayment of borrowing of S\$0.05m, but moderated by the recognition of lease liabilities of S\$0.23m as a result of the adoption of SFRS(I) 16.

The non-current liabilities increased by S\$1.51m from S\$0.13m as at 31 December 2018 to S\$1.65m as at 30 June 2019 due to the recognition of lease liabilities of S\$1.51m as a result of the adoption of SFRS(I) 16.

### **Statement of Cash Flows**

The Group reported net cash generated from operating activities of S\$0.37m contributed mainly by the operating cash flows before changes in working capital of S\$0.99m, but moderated mainly by the decrease in trade and other payables and contract liabilities of S\$0.41m and income taxes paid of S\$0.17m.

The net cash flows generated from investing activities of S\$4.60m was contributed mainly by net cash inflow from reverse acquisition of the Company of S\$4.69m, but moderated by the payment to creditors of the plant and equipment of S\$0.09m.

The net cash flows used in financing activities of S\$0.55m was attributed mainly to the payment of lease liabilities of S\$0.50m and the repayment of borrowing of S\$0.05m.

Therefore, overall cash and cash equivalents increased by S\$4.42m from S\$0.98m as at 31 December 2018 to S\$5.40m as at 30 June 2019.

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

Not applicable.

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

The Group operates in a highly competitive industry with many competitors and low barriers to entry. The business is dependent on the general economic outlook, growth in consumer affluence in Singapore and Singapore tourism and hospitality industry.

The Group is seeking to expand its foothold in the market and the region organically or by entering into joint ventures or strategic alliances with parties that can complement the Group.

**11. If a decision regarding dividend has been made:**

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

No.

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

Not applicable.

**(b)(ii) Previous corresponding period:**

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for 1H2019. The Company will assess and declare dividend (if any) during the full year results announcement, depending on factors such as operating results, financial condition and other cash requirements including funds for future growth.

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

The Company does not have a general mandate from shareholders for IPTs pursuant to Rule 920.

**14. Negative confirmation pursuant to Rule 705(5).**

The board of directors do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 1H2019 financial results to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its Directors in the format set out in Appendix 7H.

**BY ORDER OF THE BOARD**

Dr Yu Lai Boon  
Chairman  
14 August 2019

Chua Khoo Hui  
Chief Executive Officer