



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") 2020

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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

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)
	1H2020 S\$'000	1H2019 S\$'000	
Revenue	1,820	3,878	-53.1%
Cost of sales	(425)	(1,057)	-59.8%
Gross profit	1,395	2,821	-50.5%
Other income	534	289	84.8%
Administrative expenses	(1,792)	(1,765)	1.5%
Marketing and distribution expenses	(34)	(105)	-67.6%
Finance costs	(30)	(34)	-11.8%
Other operating expenses	(664)	(851)	-22.0%
(Loss)/Profit before tax	(591)	355	n.m.
Income tax expense	-	(18)	-100.0%
(Loss)/Profit for the period	(591)	337	n.m.
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	2	(1)	n.m.
Other comprehensive income for the period, net of tax	2	(1)	
Total comprehensive income for the period	(589)	336	n.m.
(Loss)/Profit for the period attributable to:			
Owners of the Company	(591)	337	n.m.
Total comprehensive income attributable to:			
Owners of the Company	(589)	336	n.m.

n.m. - not meaningful

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

	1H2020 S\$'000	1H2019 S\$'000	Increase/ (Decrease)
(Loss)/Profit before taxation is arrived at after charging/(crediting) the following:-			
Amortisation of right-of-use assets	474	495	-4.2%
Depreciation of plant and equipment	189	220	-14.1%
Interest on borrowing	-	7	n.m.
Interest income	(18)	(5)	260.0%
Gain on reverse acquisition	-	(249)	n.m.
Professional fees and expenses in relation to the reverse acquisition	-	137	n.m.
Taxation:			
Provision in respect of (loss)/profit for the period			
- current tax	- *	34	
- deferred tax	-	(16)	
	-	18	

* - Less than S\$500

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	
	30/6/2020 S\$'000	31/12/2019 S\$'000	30/6/2020 S\$'000	31/12/2019 S\$'000
ASSETS				
Non-current assets				
Plant and equipment	719	892	-	-
Intangible assets	13	30	-	-
Right-of-use assets	1,725	2,198	-	-
Investment in subsidiaries	-	-	12,287	12,287
Investment in associate	4	2	-	-
Other receivables	225	225	-	-
Deferred tax assets	185	185	-	-
	2,871	3,532	12,287	12,287
Current assets				
Inventories	3,324	3,181	-	-
Trade and other receivables	859	468	852	449
Cash and bank balances	4,783	5,756	4,526	4,710
	8,966	9,405	5,378	5,159
Total assets	11,837	12,937	17,665	17,446
LIABILITIES				
Current liabilities				
Trade and other payables	1,663	1,663	479	330
Contract liabilities	-	2	-	-
Lease liabilities	965	953	-	-
Income tax payable	66	113	-	-
	2,694	2,731	479	330
Net current assets	6,272	6,674	4,899	4,829
Non-current liabilities				
Lease liabilities	838	1,312	-	-
Provision for restoration costs	125	125	-	-
Deferred tax liabilities	4	4	-	-
	967	1,441	-	-
Total liabilities	3,661	4,172	479	330
Net assets	8,176	8,765	17,186	17,116
Equity attributable to the owners of the Company				
Share capital	4,569	4,569	12,546	12,546
Capital reserve	1,452	1,452	-	-
Foreign currency translation reserve	7	5	-	-
Revenue reserve	2,148	2,739	4,640	4,570
Total equity	8,176	8,765	17,186	17,116

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

Amount repayable in one year or less, or on demand

Not applicable, as the Group had no borrowings and debt securities.

Amount repayable after one year

Not applicable, as the Group had no borrowings and debt securities.

Details of any collateral

Not applicable.

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

	The Group	
	1H2020 S\$'000	1H2019 S\$'000
Operating Activities		
(Loss)/Profit before tax	(591)	355
Adjustments for:		
Amortisation of right-of-use assets	474	495
Depreciation of plant and equipment	189	220
Finance costs	30	34
Interest income	(18)	(5)
Plant and equipment written off	1	1
Gain on reverse acquisition	-	(249)
Operating cash flows before changes in working capital	85	851
<i>Changes in working capital</i>		
(Increase)/Decrease in inventories	(144)	12
Increase in trade and other receivables	(393)	(44)
Increase/(Decrease) in trade and other payables and contract liabilities	7	(781)
Net cash flows (used in)/from operations	(445)	38
Interest paid	-	(7)
Interest received	-	5
Income taxes paid	(47)	(174)
Net cash flows used in operating activities	(492)	(138)
Investing Activities		
Cash inflow from reverse acquisition	-	5,195
Interest received	20	-
Placement of fixed deposits	(20)	-
Purchase of plant and equipment	(9)	(93)
Net cash flows (used in)/generated from investing activities	(9)	5,102
Financing Activities		
Payment of lease liabilities	(492)	(496)
Repayment of borrowing	-	(50)
Net cash flows used in financing activities	(492)	(546)
Net (decrease)/increase in cash and cash equivalents	(993)	4,418
Cash and cash equivalents at 1 January	2,731	983
Cash and cash equivalents at 30 June (Note A)	1,738	5,401

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:

	30/6/2020 S\$'000	30/6/2019 S\$'000
Cash on hand and at bank	1,738	3,400
Fixed deposits	3,045	2,001
	4,783	5,401
Less: Fixed deposits	(3,045)	-
Cash and cash equivalents	1,738	5,401

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	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Total equity S\$'000
As at 1 January 2020	4,569	2,739	1,452	5	8,765
Loss for the period	-	(591)	-	-	(591)
Other comprehensive income					
Foreign currency translation	-	-	-	2	2
Total comprehensive income for the period	-	(591)	-	2	(589)
As at 30 June 2020	4,569	2,148	1,452	7	8,176
As at 1 January 2019	1	2,144	1,452	6	3,603
Profit for the period	-	337	-	-	337
Other comprehensive income					
Foreign currency translation	-	-	-	(1)	(1)
Total comprehensive income for the period	-	337	-	(1)	336
Contribution by and distribution to owners					
Consideration shares issued in relation to reverse acquisition, representing total transaction with owners	4,568	-	-	-	4,568
As at 30 June 2019	4,569	2,481	1,452	5	8,507

The Company	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
As at 1 January 2020	12,546	4,570	17,116
Profit for the period, representing total comprehensive income for the period	-	70	70
As at 30 June 2020	12,546	4,640	17,186
As at 1 January 2019	259	4,602	4,861
Loss for the period, total comprehensive income for the period	-	(255)	(255)
Contribution by and distribution to owners			
Issuance of shares for acquisition of subsidiaries, representing total transaction with owners	12,287	-	12,287
As at 30 June 2019	12,546	4,347	16,893

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

There were no changes to the Company's share capital as at 30 June 2020 and 31 December 2019. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2020 and 2019.

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 as at 30 June 2020 and 31 December 2019.

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, as the Company does not have any treasury shares.

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, as the Company does not have any subsidiary holdings.

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

Updates on the efforts taken to resolve each outstanding audit issue.

Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty to going concern.

Not applicable. The latest financial statements of the Group are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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 2019, 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 2020.

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.

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.

	The Group	
	1H2020 Cents	1H2019 Cents
Basic ⁽¹⁾	(1.33)	0.80
Diluted ⁽²⁾	(1.33)	0.80

Notes:-

(1) Basic earnings per ordinary share were calculated based on net (loss)/profit attributable to owners of the Company divided by the weighted average number of shares in issue of 44,355,491 (1H2019: 42,351,798).

The weighted average number of ordinary shares (42,351,798 shares) for 1H2019 was calculated based on the number of ordinary shares issued by the Company to the owners of Sloshed! Pte. Ltd. ("**Sloshed**") subsequent to the reverse acquisition of the Company by Sloshed (the "**RTO**"), which was 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 every twenty (20) existing shares into one (1) consolidated share) of the Company outstanding from the date of completion of the RTO (7 February 2019) to 30 June 2019.

(2) There were no potential dilutive ordinary shares in 1H2020 and 1H2019.

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	
	30/6/2020 Cents	31/12/2019 Cents	30/6/2020 Cents	31/12/2019 Cents
Net asset value per ordinary share ⁽¹⁾	18.43	19.76	38.75	38.59

Note:-

(1) The net asset value per ordinary share for the Group and the Company was calculated based on the net assets divided by 44,355,491 shares (31 December 2019: 44,355,491 shares).

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 decreased by S\$2.06m or 53.1% from S\$3.88m in 1H2019 to S\$1.82m in 1H2020 due mainly to the impact of COVID-19 on the Group's businesses and the closure of all the outlets subsequent to the safety measures implemented by the Government to minimise spread of COVID-19 (the "Circuit Breaker") with effect from 7 April 2020. Since then, 2 out of the 5 outlets (ie. Copper and The Other Roof) have re-opened for dine-in services in phase 2 of the Circuit Breaker from 19 June 2020.

The gross profit of the Group decreased by S\$1.43m or 50.5% from S\$2.82m in 1H2019 to S\$1.40m in 1H2020 due mainly to the lower revenue. The gross margin has improved by 3.9% from 72.7% in 1H2019 to 76.6% in 1H2020 due to the contribution of products with higher margin and the provision of management services to a third party.

The Group reported a loss before tax of S\$0.59m in 1H2020 as compared to a profit before tax of S\$0.36m in 1H2019 due mainly to lower revenue, but moderated by increase in other income of S\$0.25m and reduction in other operating expenses of S\$0.19m in 1H2020.

The other income increased from S\$0.29m in 1H2019 to S\$0.53m in 1H2020 due mainly to the increase in government grants and rental rebates received/receivable of S\$0.47m, but moderated by the absence of the gain on reverse acquisition of S\$0.25m recognised in 1H2019 as the fair value of the Company's identifiable net assets was higher than the market value of the Company at completion of the RTO.

The other operating expenses decreased from S\$0.85m in 1H2019 to S\$0.66m in 1H2020 due mainly to the absence of professional fees and expenses that was recorded in 1H2019 in relation to the reverse acquisition of S\$0.14m, lower depreciation of plant and equipment and amortisation of right-of-use assets of S\$0.03m and of S\$0.02m respectively. The depreciation reduced by 14.1% in 1H2020 as some plant and equipment have been fully depreciated.

The decrease in marketing and distribution expenses by S\$0.07m from S\$0.11m in 1H2019 to S\$0.03m in 1H2020 was due mainly to the absence of the public relation expenses incurred for the Group and the cut in advertising expenses for the new outlets.

The administrative expenses increased marginally in 1H2020 as compared to 1H2019 despite the pay-cut of the key management and some managers in 1H2020 due mainly to the full impact of higher staff costs and compliance costs to support the Group in 1H2020.

As a result of the above, the Group reported a net loss for the period of S\$0.59m in 1H2020 as compared to a profit for the period of S\$0.34m in 1H2019.

Statement of Financial Position

The non-current assets decreased by S\$0.66m or 18.7% from S\$3.53m as at 31 December 2019 to S\$2.87m as at 30 June 2020 due mainly to the amortisation of right-of-use assets of S\$0.47m and depreciation of plant and equipment of S\$0.19m in 1H2020.

The current assets decreased by S\$0.44m or 4.7% from S\$9.41m as at 31 December 2019 to S\$8.97m as at 30 June 2020 due to the decrease in cash and bank balances of S\$0.97m but moderated by the increase in trade and other receivables of S\$0.39m and the increase in inventories of S\$0.14m.

The trade and other receivables increased from S\$0.47m as at 31 December 2019 to S\$0.86m as at 30 June 2020 due mainly to the increase in advances to suppliers of S\$0.25m mainly for the purchase of whisky, government grants receivable of S\$0.09m and the advance leaves taken by the staff of S\$0.03m. The inventories increased from S\$3.18m as at 31 December 2019 to S\$3.32m as at 30 June 2020 due mainly to the preparation of goods for Whisky Journey event that was scheduled to be held in May 2020 but has since been postponed till the COVID-19 situation is clearer.

The current liabilities decreased by S\$0.04m or 1.4% from S\$2.73m as at 31 December 2019 to S\$2.69m as at 30 June 2020 due mainly to the payment of income tax of S\$0.05m in 1H2020.

The trade and other payables remained fairly stable despite the lower activities in 1H2020 due mainly to slower payment to the suppliers.

The non-current liabilities decreased by S\$0.47m or 32.9% from S\$1.44m as at 31 December 2019 to S\$0.97m as at 30 June 2020 due to the payment of lease liabilities in 1H2020.

Statement of Cash Flows

The net cash flows used in operating activities of S\$0.49m in 1H2020 was attributed to the increase in trade and other receivables and inventories of S\$0.39m and S\$0.14m respectively, and income tax paid of S\$0.05m.

The net cash flows used in financing activities of S\$0.49m was attributed to the payment of lease liabilities.

Therefore, overall cash and cash equivalents decreased by S\$0.99m from S\$2.73m as at 31 December 2019 to S\$1.74m as at 30 June 2020.

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

The Company had previously announced on 25 June 2020 that the Group was expected to report a financial loss for 1H2020 and the financial results for 1H2020 is consistent with the guidance issued.

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.

COVID-19 has adversely impacted the business and will have significant financial impact on the earnings per share and net asset value per share of the Group for the financial year ending 31 December 2020 if there is no improvement in controlling the virus, influx of tourists to Singapore, extension of operating hours back to normal, and the re-opening of the other 3 bars soon.

Despite the current conditions, the Group is still seeking to expand its foothold in the market organically or by entering into joint ventures or strategic alliances with parties that can complement the Group, but the expansion outside Singapore will be slowed down for now.

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 1H2020 in view that the Group was loss making.

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 1H2020 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 2020

Chua Khoon Hui
Chief Executive Officer