



TSH Corporation Limited
Company Registration No. 200003865N

Condensed Interim Financial Statements
For the 6 months and financial year ended 31 December 2022

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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.

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TSH Corporation Limited

Condensed interim consolidated statement of comprehensive income For the financial year ended 31 December 2022

| | Note | 6 months ended 31 December | | | 12 months ended 31 December | | |
|---|------|-------------------------------|-----------------------|-------------|--------------------------------|---------------------|-------------|
| | | 2022 | 2021 | Change % | 2022 | 2021 | Change % |
| | | \$'000 (Unaudited) | \$'000 (Unaudited) | | \$'000 (Unaudited) | \$'000 (Audited) | |
| Revenue | 4 | 5,459 | 2,529 | 115.9 | 8,911 | 5,168 | 72.4 |
| Cost of sales | | (1,288) | (763) | 68.8 | (2,170) | (1,452) | 49.4 |
| Gross profit | | 4,171 | 1,766 | 136.2 | 6,741 | 3,716 | 81.4 |
| Other income | | 118 | 425 | (72.2) | 390 | 1,050 | (62.9) |
| General and administrative expenses | | (2,959) | (2,207) | 34.1 | (5,123) | (4,115) | 24.5 |
| Selling and distribution expenses | | (133) | (52) | 155.8 | (215) | (108) | 99.1 |
| Other operating expenses | | (541) | (402) | 34.6 | (747) | (755) | (1.1) |
| Finance costs | | (101) | (40) | 152.5 | (135) | (82) | 64.6 |
| Profit/(Loss) before tax | 5 | 555 | (510) | n.m. | 911 | (294) | n.m. |
| Income tax expense | 6 | (28) | (21) | 33.3 | (60) | (21) | 185.7 |
| Profit/(Loss) for the year, representing profit/(loss) attributable to owners of the Company | | 527 | (531) | n.m. | 851 | (315) | n.m. |
| Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | | | |
| Foreign currency translation reserve taken to profit or loss on striking-off of associate | | – | (4) | n.m. | – | (4) | n.m. |
| Total comprehensive income for the year attributable to owners of the Company | | 527 | (535) | n.m. | 851 | (319) | n.m. |
| Earnings/(Loss) per share | | | | | | | |
| - Basic and diluted (cents per share) | 7 | 1.19 | (1.20) | n.m. | 1.92 | (0.71) | n.m. |

n.m.: Not meaningful.

The accompanying notes form an integral part of the condensed interim financial statements.

TSH Corporation Limited

**Condensed interim statements of financial position
As at 31 December 2022**

| | Note | Group | | Company | |
|--------------------------------|------|-------------|-----------|-------------|-----------|
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| Non-current assets | | | | | |
| Plant and equipment | 8 | 83 | 90 | – | – |
| Right-of-use assets | | 2,505 | 418 | – | – |
| Intangible assets | 9 | 2 | 7 | – | – |
| Investment in subsidiaries | | – | – | 12,287 | 7,706 |
| Other receivables | | 193 | 59 | – | – |
| Deferred tax assets | | 30 | 94 | – | – |
| | | 2,813 | 668 | 12,287 | 7,706 |
| Current assets | | | | | |
| Inventories | | 7,381 | 5,460 | – | – |
| Trade and other receivables | | 665 | 680 | 6,211 | 4,600 |
| Cash and bank balances | | 3,668 | 4,692 | 2,125 | 3,288 |
| | | 11,714 | 10,832 | 8,336 | 7,888 |
| Total assets | | 14,527 | 11,500 | 20,623 | 15,594 |
| Current liabilities | | | | | |
| Contract liabilities | | 96 | 128 | – | – |
| Trade and other payables | | 2,212 | 1,555 | 1,056 | 412 |
| Bank borrowing | 10 | 617 | 553 | 617 | 553 |
| Lease liabilities | | 830 | 500 | – | – |
| Provisions | | 70 | 72 | – | – |
| Income tax payable | | – | – * | – | – |
| | | 3,825 | 2,808 | 1,673 | 965 |
| Net current assets | | 7,889 | 8,024 | 6,663 | 6,923 |
| Non-current liabilities | | | | | |
| Bank borrowing | 10 | 1,330 | 1,947 | 1,330 | 1,947 |
| Lease liabilities | | 1,979 | 207 | – | – |
| Provisions | | 47 | 43 | – | – |
| | | 3,356 | 2,197 | 1,330 | 1,947 |
| Total liabilities | | 7,181 | 5,005 | 3,003 | 2,912 |
| Net assets | | 7,346 | 6,495 | 17,620 | 12,682 |

TSH Corporation Limited

**Condensed interim statements of financial position
As at 31 December 2022**

| | Note | Group | | Company | |
|---|-------------|--------------------|------------------|--------------------|------------------|
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 11 | 4,569 | 4,569 | 12,546 | 12,546 |
| Capital reserve | | 1,452 | 1,452 | – | – |
| Revenue reserve | | 1,325 | 474 | 5,074 | 136 |
| Total equity | | 7,346 | 6,495 | 17,620 | 12,682 |
| Total equity and liabilities | | 14,527 | 11,500 | 20,623 | 15,594 |

*: Less than \$500.

The accompanying notes form an integral part of the condensed interim financial statements.

TSH Corporation Limited

**Condensed interim statements of changes in equity
For the financial year ended 31 December 2022**

| | Attributable to owners of the Company | | | | |
|---|---------------------------------------|---------------------------|--|---------------------------|------------------------|
| | Share capital (Note 11) \$'000 | Capital reserve \$'000 | Foreign currency translation reserve \$'000 | Revenue reserve \$'000 | Total equity \$'000 |
| Group | | | | | |
| (Audited) | | | | | |
| At 1 January 2021 | 4,569 | 1,452 | 4 | 789 | 6,814 |
| Loss for the year | – | – | – | (315) | (315) |
| <u>Other comprehensive income</u> | | | | | |
| Foreign currency translation reserve taken to profit or loss on striking-off of associate | – | – | (4) | – | (4) |
| Total comprehensive income | – | – | (4) | (315) | (319) |
| At 31 December 2021 | 4,569 | 1,452 | – | 474 | 6,495 |
| (Unaudited) | | | | | |
| At 1 January 2022 | 4,569 | 1,452 | – | 474 | 6,495 |
| Profit for the year | – | – | – | 851 | 851 |
| Total comprehensive income | – | – | – | 851 | 851 |
| At 31 December 2022 | 4,569 | 1,452 | – | 1,325 | 7,346 |

TSH Corporation Limited

**Condensed interim statements of changes in equity
For the financial year ended 31 December 2022**

| <u>Company</u> | Share capital (Note 11) \$'000 | Revenue reserve \$'000 | Total equity \$'000 |
|--|---|---------------------------------------|--------------------------------|
| (Audited) | | | |
| At 1 January 2021 | 12,546 | 3 | 12,549 |
| Profit for the year, representing total comprehensive income for the year | – | 133 | 133 |
| At 31 December 2021 | 12,546 | 136 | 12,682 |
| (Unaudited) | | | |
| At 1 January 2022 | 12,546 | 136 | 12,682 |
| Profit for the year, representing total comprehensive income for the year | – | 4,938 | 4,938 |
| At 31 December 2022 | 12,546 | 5,074 | 17,620 |

The accompanying notes form an integral part of the condensed interim financial statements.

TSH Corporation Limited

**Condensed interim consolidated statement of cash flows
For the financial year ended 31 December 2022**

| | Note | 2022 \$'000 (Unaudited) | 2021 \$'000 (Audited) |
|--|------|-------------------------------|-----------------------------|
| Operating activities | | | |
| Profit/(Loss) before tax | | 911 | (294) |
| Adjustments for: | | | |
| Amortisation of intangible assets | 5 | 5 | 7 |
| Depreciation of plant and equipment | 5 | 67 | 142 |
| Depreciation of right-of-use assets | 5 | 492 | 474 |
| Finance costs | | 135 | 82 |
| Gain on striking-off of associate | | – | (4) |
| Impairment of plant and equipment | 5 | 27 | 92 |
| Impairment of right-of-use assets | 5 | 154 | 33 |
| Interest income | 5 | (9) | (12) |
| Plant and equipment written off | | 1 | 4 |
| Reversal of provision for restoration costs | | – | (2) |
| Operating cash flows before changes in working capital | | 1,783 | 522 |
| <u>Changes in working capital</u> | | | |
| Increase in inventories | | (1,921) | (1,505) |
| Increase in trade and other receivables | | (150) | (41) |
| Increase/(Decrease) in trade and other payables and contract liabilities | | 619 | (236) |
| Cash flows generated from/(used in) operations | | 331 | (1,260) |
| Interest received | | 8 | 12 |
| Income taxes refunded/(paid) | | 4 | (1) |
| Net cash flows generated from/(used in) operating activities | | 343 | (1,249) |
| Investing activity | | | |
| Purchase of plant and equipment | | (81) | (150) |
| Net cash flows used in investing activity | | (81) | (150) |
| Financing activities | | | |
| Interests paid | | (102) | (79) |
| Payment of principal portion of lease liabilities | | (631) | (765) |
| (Repayment of)/Proceeds from bank borrowing | | (553) | 2,500 |
| Net cash flow (used in)/generated from financing activities | | (1,286) | 1,656 |
| Net (decrease)/increase in cash and cash equivalents | | (1,024) | 257 |
| Cash and cash equivalents at beginning of the year | | 4,692 | 4,435 |
| Cash and cash equivalents at end of the year | | 3,668 | 4,692 |

The accompanying notes form an integral part of the condensed interim financial statements.

1. Corporate information

The Company

TSH Corporation Limited is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the six months and financial year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the Group are that of operation of food and beverages outlets and import and distribution of beverages.

2. Basis of preparation

The condensed interim financial statements for the six months and financial year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (SGD or \$) which is the Company's functional currency.

2.1 *New and amended standards adopted by the Group*

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change the accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 *Use of judgements and estimates*

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2021.

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.

2.2 Use of judgements and estimates (cont'd)

There is no critical judgement made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, or have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2.3 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value ("NRV").

NRV in respect of inventories is assessed based on the best available facts and circumstances at the end of each reporting period, including but not limited to, the physical conditions of the inventories, their expected market selling prices and estimated costs to be incurred for their sale. The carrying amounts of the Group's inventories at the end of each reporting period are disclosed in the condensed interim financial statements.

Impairment of non-financial assets

The Group assesses whether there are indicators of impairment for plant and equipment and right-of-use assets at each reporting date. The Company also assesses whether there are indicators of impairment for investment in subsidiaries at each reporting date. These assets are tested for impairment where there are indications that the carrying amounts may not be recoverable. This requires an estimation of the recoverable amount of the cash generating units to which the assets belong which is determined based on the higher of fair value less cost to sell and value-in-use methods. In determining the recoverable amounts of the cash generating units, the Group evaluates, amongst other factors, the market and economic environment in which the cash generating units operate and the economic performance of these assets.

Management has determined that there is indication that the Group's carrying amounts of the plant and equipment and right-of-use assets of the non-performing outlets may be impaired.

The recoverable amounts of the plant and equipment, right-of-use assets and investment in subsidiaries have been determined based on value-in-use calculations using cash flow projections prepared by management. Key assumptions adopted in the value-in-use calculations include projections of revenue growth rate, gross profit margins, discount rates and long-term growth rates, where relevant. The pre-tax discount rate applied to cash flow projections is 9% (2021: 9%). For the financial year ended 31 December 2022, management recognised impairment losses on the Group's plant and equipment and right-of-use assets of \$0.03 million (2021: \$0.09 million) and \$0.15 million (2021: \$0.03 million) respectively, and reversed the impairment loss on the Company's investment in subsidiaries of \$4.58 million (2021: \$Nil) recognised in prior years.

The carrying amounts of the Group's plant and equipment, right-of-use assets and the Company's investment in subsidiaries at the end of each reporting period are disclosed in the condensed interim financial statements.

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Notes to the condensed interim financial statements For the financial year ended 31 December 2022

3. Seasonal operations

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

4. Segment and revenue information

Information reported to the CEO for the purposes of resource allocation and assessment of segment performance is specifically focused on the wholesale and retail sale of food and beverages businesses which form the basis of identifying the operating segments of the Group under SFRS(I) 1-8 *Operating Segments*. Management considers the aggregated wholesale and retail sale of food and beverages businesses as a single operating segment.

4.1 Disaggregation of revenue

| | Group | | | |
|-----------------------|----------------|-------------|-----------------|-----------|
| | 6 months ended | | 12 months ended | |
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Sale of goods | 5,314 | 2,463 | 8,760 | 5,077 |
| Rendering of services | 145 | 66 | 151 | 91 |
| | 5,459 | 2,529 | 8,911 | 5,168 |
| At a point in time | 5,314 | 2,463 | 8,760 | 5,077 |
| Over time | 145 | 66 | 151 | 91 |
| | 5,459 | 2,529 | 8,911 | 5,168 |

The Group operates in Singapore with revenue generated in Singapore. Accordingly, analysis of revenue and assets of the Group by geographical distribution has not been presented.

TSH Corporation Limited

**Notes to the condensed interim financial statements
For the financial year ended 31 December 2022**

5. Profit/(Loss) before taxation

| | Group | | | |
|--|-------------------------------|-----------------------|--------------------------------|---------------------|
| | 6 months ended 31 December | | 12 months ended 31 December | |
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 (Unaudited) | \$'000 (Unaudited) | \$'000 (Unaudited) | \$'000 (Audited) |
| Other income includes: | | | | |
| Government grants | 53 | 363 | 214 | 709 |
| Interest income | 4 | 6 | 9 | 12 |
| Rental rebates | 29 | 26 | 91 | 295 |
| Expenses include: | | | | |
| Amortisation of intangible assets | 2 | 4 | 5 | 7 |
| Depreciation of plant and equipment | 31 | 67 | 67 | 142 |
| Depreciation of right-of-use assets | 326 | 202 | 492 | 474 |
| Impairment of plant and equipment | 27 | 92 | 27 | 92 |
| Impairment of right-of-use assets | 154 | 33 | 154 | 33 |
| Interest expense on bank borrowing | 23 | 29 | 50 | 55 |
| Interest expense on lease liabilities | 44 | 11 | 51 | 27 |
| Interest expense on discounting of non-current receivables | 34 | – | 34 | – |

6. Taxation

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

| | Group | | | |
|---|-------------------------------|-----------------------|--------------------------------|---------------------|
| | 6 months ended 31 December | | 12 months ended 31 December | |
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 (Unaudited) | \$'000 (Unaudited) | \$'000 (Unaudited) | \$'000 (Audited) |
| <i>Current tax</i> | | | | |
| - Current income tax (credit)/expense | (36) | –* | – | –* |
| - Over provision in respect of previous years | – | – | (4) | – |
| | (36) | –* | (4) | –* |
| <i>Deferred tax</i> | | | | |
| - Origination and reversal of temporary differences | 64 | 36 | 64 | 36 |
| - Over provision in respect of previous years | – | (15) | – | (15) |
| | 64 | 21 | 64 | 21 |
| Income tax expense recognised in condensed interim consolidated statement of comprehensive income | 28 | 21 | 60 | 21 |

*: Less than \$500.

TSH Corporation Limited

Notes to the condensed interim financial statements For the financial year ended 31 December 2022

7. Earnings/(Loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the year. Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there are no dilutive potential ordinary shares.

The following reflects the profit/(loss) and share data used in the basic and diluted earnings/(loss) per share computations for the years ended 31 December:

| | Group | | | |
|--|-------------------------------|-------------------------------|--------------------------------|-----------------------------|
| | 6 months ended 31 December | | 12 months ended 31 December | |
| | 2022 \$'000 (Unaudited) | 2021 \$'000 (Unaudited) | 2022 \$'000 (Unaudited) | 2021 \$'000 (Audited) |
| Profit/(Loss) for the year, representing loss attributable to owners of the Company | 527 | (531) | 851 | (315) |
| | Number of shares | Number of shares | Number of shares | Number of shares |
| Weighted average number of ordinary shares outstanding for basic and diluted loss per share computations | 44,355,491 | 44,355,491 | 44,355,491 | 44,355,491 |

8. Plant and equipment

During the year ended 31 December 2022, the Group acquired assets amounting to \$0.09 million (2021: \$0.14 million) and wrote off assets amounting to approximately \$1,000 (2021: \$4,000).

TSH Corporation Limited

**Notes to the condensed interim financial statements
For the financial year ended 31 December 2022**

9. Intangible assets

| | Software \$'000 |
|---|---------------------------|
| Group | |
| At 31 December 2021 (Audited) | |
| Cost | 29 |
| Accumulated amortisation | (22) |
| Net book amount | <u>7</u> |
| | |
| Year ended 31 December 2022 (Unaudited) | |
| Opening net book amount | 7 |
| Amortisation charge | (5) |
| Closing net book amount | <u>2</u> |
| | |
| At 31 December 2022 (Unaudited) | |
| Cost | 29 |
| Accumulated amortisation | (27) |
| Net book amount | <u>2</u> |

10. Bank borrowing

| | Group and Company 31 December | |
|--|--|------------------------------------|
| | 2022 \$'000 (Unaudited) | 2021 \$'000 (Audited) |
| <u>Amount repayable within one year or on demand</u> | | |
| Secured | – | – |
| Unsecured | 617 | 553 |
| | | |
| <u>Amount repayable after one year</u> | | |
| Secured | – | – |
| Unsecured | 1,330 | 1,947 |

Certain subsidiaries have provided corporate guarantee for the bank borrowing.

TSH Corporation Limited

**Notes to the condensed interim financial statements
For the financial year ended 31 December 2022**

11. Share capital

| | Group | | Company | |
|--|---------------------------|--------|---------------------------|--------|
| | 31 December 2022 | | 31 December 2021 | |
| | (Unaudited) | | (Audited) | |
| | No. of ordinary shares | \$'000 | No. of ordinary shares | \$'000 |
| <i>Issued and fully paid ordinary shares:</i> | | | | |
| Beginning and end of year | 44,355,491 | 4,569 | 44,355,491 | 12,546 |

The Company did not hold any treasury shares as at 31 December 2022 and 2021.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2022 and 2021.

There were no changes to the Company's share capital as at 31 December 2022 and 2021. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2022 and 2021.

12. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group:

| | Group | | Company | |
|--|--------------------|------------------|--------------------|------------------|
| | 31 December | | 31 December | |
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| Financial Assets | | | | |
| Total trade and other receivables | 504 | 368 | 6,195 | 4,582 |
| Cash and bank balances | 3,668 | 4,692 | 2,125 | 3,288 |
| Total financial assets at amortised cost | 4,172 | 5,060 | 8,320 | 7,870 |
| Financial Liabilities | | | | |
| Total trade and other payables | 2,109 | 1,508 | 1,024 | 395 |
| Lease liabilities | 2,809 | 707 | – | – |
| Bank borrowing | 1,947 | 2,500 | 1,947 | 2,500 |
| Total financial liabilities carried at amortised cost | 6,865 | 4,715 | 2,971 | 2,895 |

TSH Corporation Limited

**Notes to the condensed interim financial statements
For the financial year ended 31 December 2022**

- 13. 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 year reported on; and (b) immediately preceding financial year.**

| | Group | | Company | |
|------------------------------------|--------------------|------------------|--------------------|------------------|
| | 31 December | | 31 December | |
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| Net asset value per ordinary share | 0.1656 | 0.1464 | 0.3972 | 0.2859 |

The net asset value per ordinary share for the Group and the Company were calculated based on the net assets divided by 44,355,491 shares (31 December 2021: 44,355,491 shares).

14. Subsequent event

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

TSH Corporation Limited

Other information required by Catalist Rule Appendix 7C

Other Information Required by Catalist Rule Appendix 7C

1. Review

The condensed interim statements of financial position of TSH Corporation Limited and its subsidiaries as at 31 December 2022 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six months and financial year then ended and the notes have not been audited or reviewed.

2. A review of the performance of the Group

Statement of comprehensive income

6 months period ended 31 December 2022 (“2H22”) vs 6 months period ended 31 December 2021 (“2H21”)

The Group’s revenue for 2H22 increased by 115.9% or \$2.93 million to \$5.46 million from \$2.53 million in 2H21 due mainly to the relaxation of Covid-19 safe management restrictions on the dining capacity and alcohol consumption hours since first half 2022 as compared to the more stringent Covid-19 restrictions in the corresponding period, and the contribution from a new outlet (Capitol Cigar and Whisky Lounge) (“**Capitol**”) managed by the Group since September 2022.

The gross profit of the Group for 2H22 increased by 136.2% or \$2.41 million to \$4.17 million from \$1.77 million in 2H21 in line with the increase in revenue. This was boosted by 6.6% increase in margin from 69.8% in 2H21 to 76.4% in 2H22 due mainly to better costs control and lower proportion of retail sales at the outlets, which yield lower margin, in 2H22.

The Group reported a profit after tax of \$0.53 million in 2H22 as compared to loss after tax of \$0.53 million in 2H21 due mainly to the higher revenue generated but moderated by higher expenses and lower other income. The higher expenses in 2H22 was mainly due to (i) increase in general and administrative expenses arising from the increase in operating activities and the opening of 2 new outlets, namely Capitol and Quaich Bar Wanderlust (“**Wanderlust**”), in 2H22 and higher manpower costs; (ii) higher selling and distribution expenses were incurred in 2H22 to boost sales; (iii) increase in other operating expenses in 2H22 due mainly to higher depreciation of right-of-use assets (“**ROUA**”) as a result of the increase in ROUA in relation to new and renewed leases, and higher impairment of ROUA recognised for non-performing outlets. The increase in finance costs was due to the increase in interest expense on lease liabilities as a result of the increase in lease liabilities in relation to the new and renewed leases and the interest expense on discounting of non-current receivables. The lower other income in 2H22 was due mainly to lower government grants received.

12 months period ended 31 December 2022 (“FY22”) vs 12 months period ended 31 December 2021 (“FY21”)

The Group’s revenue for FY22 increased by 72.4% or \$3.74 million to \$8.91 million from \$5.17 million in FY21 due mainly to the relaxation of the safe management measures since 1H22 and the contribution from the new outlet (Capitol) as mentioned above, but moderated by the absence of contribution from an outlet (Copper) upon the expiry of its lease in 2H21.

The gross profit of the Group for FY22 increased by 81.4% or \$3.03 million to \$6.74 million from \$3.72 million in FY21 due mainly to higher revenue generated. The gross margin increased by 3.7% from 71.9% in FY21 to 75.6% in FY22 attributed mainly to better costs control and lower proportion of retail sales at the outlets which yield lower margin in FY22.

The Group reported a profit before tax of \$0.91 million in FY22 as compared to a loss before tax of \$0.29 million in FY21 due to higher gross profit, but moderated by higher general and administrative expenses, selling and distribution expenses and finance costs, and lower other income in FY22.

The general and administrative expenses increased by \$1.01 million or 24.5% from \$4.12 million in FY21 to \$5.12 million in FY22 in line with the increase in operating activities and 2 new outlets opened in 2H22 as mentioned above, increase in manpower costs, and higher rental expenses as a result of short-term leases.

The selling and distribution expenses increased by \$0.11 million or 99.1% from \$0.11 million in FY21 to \$0.22 million in FY22 attributed mainly to higher marketing activities to boost sales.

The finance costs increased by \$0.05 million or 64.6% from \$0.08 million in FY21 to \$0.14 million in FY22 due mainly to the increase in interest expense on lease liabilities of \$0.02 million as a result of additions of lease liabilities in relation to the new and renewed leases and the interest expense on discounting of non-current receivables of \$0.03 million.

The other operating expenses for FY22 decreased marginally by \$8,000 or 1.1% due mainly to the decrease in depreciation and impairment of plant and equipment (“PE”) by \$0.08 million and \$0.07 million respectively attributed mainly to fully depreciated PE and the impact of impairments made in prior years, but moderated by the increase in depreciation of ROUA in tandem with the additions of ROUA and impairment of ROUA for non-performing outlets by \$0.02 million and \$0.12 million respectively in FY22.

The other income decreased by \$0.66 million or 62.9% from \$1.05 million in FY21 to \$0.39 million in FY22 due mainly to lower government grants and landlord’s rental rebates in FY22.

Consequently, the Group reports a profit for FY22 of \$0.85 million as compared to a loss of \$0.32 million in FY21.

Statement of financial position

The non-current assets of the Group increased by \$2.15 million to \$2.81 million as at 31 December 2022 from \$0.67 million as at 31 December 2021 due mainly to the increase in ROUA and other receivables, but moderated mainly by the decrease in deferred tax assets.

The ROUA increased by \$2.09 million to \$2.51 million as at 31 December 2022 from \$0.42 million as at 31 December 2021 due mainly to the additions of ROUA in relation to new and renewed leases, but partially offset by depreciation of \$0.49 million and impairment of \$0.15 million in FY22. The other receivables increased by \$0.13 million to \$0.19 million as at 31 December 2022 from \$0.06 million as at 31 December 2021 due mainly to the deposits paid for the new outlets and the reclassification of deposits of outlets from current assets to non-current assets upon renewal of their leases.

The current assets increased by \$0.88 million or 8.1% to \$11.71 million as at 31 December 2022 from \$10.83 million as at 31 December 2021 due to the increase in inventories, but moderated mainly by the decrease in cash and bank balances. The inventories increased by \$1.92 million or 35.2% to \$7.38 million as at 31 December 2022 from \$5.46 million as at 31 December 2021 attributed to the stocking up of whisky casks as well as the whisky bottles for sales.

The current liabilities increased by \$1.02 million or 36.2% to \$3.83 million as at 31 December 2022 from \$2.81 million as at 31 December 2021 due to the increase in trade and other payables, lease liabilities and bank borrowing repayable within the next 12 months. The trade

and other payables increased by \$0.66 million or 42.3% to \$2.21 million as at 31 December 2022 from \$1.56 million as at 31 December 2021 in line with the increase in purchases and expenses. The current lease liabilities increased by \$0.33 million or 66.0% to \$0.83 million as at 31 December 2022 from \$0.50 million as at 31 December 2021 due mainly to the additions of lease liabilities related to the new and renewed leases in FY22. The current bank borrowing increased by \$0.06 million or 11.6% to \$0.62 million as at 31 December 2022 from \$0.55 million as at 31 December 2021 due mainly to higher principal repayment within the next 12 months.

The non-current liabilities increased by \$1.16 million or 52.8% to \$3.36 million as at 31 December 2022 from \$2.20 million as at 31 December 2021 due mainly to the increase in lease liabilities, but moderated by the decrease in bank borrowing. The lease liabilities increased by \$1.77 million to \$1.98 million as at 31 December 2022 from \$0.21 million as at 31 December 2021 for the same reason mentioned above. The long-term bank borrowing reduced by \$0.62 million or 31.7% to \$1.33 million as at 31 December 2022 from \$1.95 million as at 31 December 2021 due to the repayments made in FY22.

Statement of cash flows

The net cash flows generated from operating activities of \$0.34 million was attributed mainly to the operating cash flows before changes in working capital of \$1.79 million and \$0.62 million increase in trade and other payables and contract liabilities, but moderated mainly by \$1.92 million increase in inventories.

The net cash used in investing activity of \$0.08 million was related mainly to the purchase of plant and equipment for new outlets.

The net cash used in financing activities of \$1.29 million was attributed mainly to the payment of principal portion of lease liabilities of \$0.63 million and bank borrowing of \$0.55 million.

These have resulted in a decrease in cash and cash equivalents of \$1.02 million in FY22.

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

Not applicable.

4. 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 heavily on the Government policies, general economic outlook, growth in consumer affluence in Singapore and Singapore tourism and hospitality industry.

Since the easing of Covid-19 safe management measures, the sales level has improved significantly but the headwinds from increasing operating costs and manpower challenges will have material financial impact on the earnings per share and net asset value per share of the Group for the financial year ending 31 December 2023.

It is the Group's intention to continue procuring whisky casks and bottling them for its own brands, and expand its foothold in the market organically or via joint ventures or strategic alliances with parties that can complement the Group's business.

5. 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.

6. 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 year ended 31 December 2022 as the Group intends to conserve cash for its growth after recovering from the adverse impact from the Covid-19 pandemic.

7. 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. The total IPTs between the Group and a director and his related companies for sales and purchases of goods amounted to less than \$100,000 in FY22.

Other information required by Catalist Rule Appendix 7C

8. **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 and executive directors in the format set out in Appendix 7H.

9. **A breakdown of sales as follows:**

| Group | FY22 (Unaudited) | FY21 (Unaudited) | Increase/ (Decrease) |
|--|---------------------|---------------------|-------------------------|
| | \$'000 | \$'000 | % |
| (a) Sales reported for first half year | 3,452 | 2,639 | 30.8 |
| (b) Operating profit after tax before deducting non-controlling interests reported for first half year | 324 | 216 | 50.0 |
| (c) Sales reported for second half year | 5,459 | 2,529 | 115.9 |
| (d) Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year | 527 | (531) | n.m. |

n.m.: not meaningful.

10. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

11. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|------------|-----|--|---|---|
| Ng Pei Wah | 48 | Spouse of Mr. Chua Khoo Hui | Director, Operations since 1 July 2021. Assists CEO in implementing strategies and managing overall business operations. | Not applicable |

TSH Corporation Limited

Other information required by Catalist Rule Appendix 7C

12. Disclosure on Acquisitions and Realisation of Shares pursuant to Catalist Rule 706(A)

Not applicable.

BY ORDER OF THE BOARD

Chua Khoon Hui
Executive Director and Chief Executive Officer

Singapore
1 March 2023