



TSH Corporation Limited
(Company Registration Number: 200003865N)
(Incorporated in the Republic of Singapore)

BUSINESS UPDATE REGARDING IMPACT OF COVID-19

The Board of Directors (the “**Board**”) of TSH Corporation Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) refers to its earlier announcement dated 26 March 2020 regarding the Company’s update on the tighter measures to minimise spread of COVID-19, and wishes to further provide a business update on the impact of COVID-19.

1. On 3 April 2020, the Singapore Government implemented an elevated set of safe distancing measures as a circuit breaker to pre-empt the spread of COVID-19, where all non-essential workplaces are to close and all restaurants, hawker centres, coffeeshops, food courts and other food and beverage outlets will remain open only for takeaway or delivery services (the “**Circuit Breaker**”) from 7 April 2020 to 4 May 2020 .
2. Following the implementation of the Circuit Breaker, only Copper and The Other Roof out of 5 outlets of the Group remain operational for takeaway and delivery services, having obtained the exemption from suspension of workplace activities from the Ministry of Trade and Industry of Singapore (MTI). In addition, we are also pushing for online sales of our products to end consumers.
3. On 21 April 2020, the Singapore Government announced a further tightening to extend the Circuit Breaker period to 1 June 2020 and fewer businesses will be permitted to operate during the period (the “**Enhanced Measures**”). In view of the Enhanced Measures, Copper and The Other Roof have submitted the necessary information to MTI to remain operational. During this period, the Group will ensure the safety and health of the staff and the compliance of the applicable laws, including the provisions of the COVID-19 (Temporary Measures) Act while carrying out its business operations.
4. Despite the continuing operations of Copper and The Other Roof, their sales have declined substantially subsequent to the commencement of the Circuit Breaker effected on 7 April 2020 as the sales from takeaway and delivery services are insufficient to make up for the loss of sales from in-house consumptions. Based on the unaudited management accounts, the sales of the Group for the 3 months ended 31 March 2020 (“**3M2020**”) has fallen by approximately 20% as compared to the same period in the preceding financial year, and the Group is also expecting a more than 80% drop in its sales for April 2020. With the extension of the Circuit Breaker till 1 June 2020 and the extended closure of its other outlets, it is expected that the revenue of the Group will be adversely impacted for the half-year ending 30 June 2020 (“**HY2020**”).
5. As the F&B industry is experiencing tight manpower and the Group’s businesses were operating on very lean manpower, the Group intends to focus on long term growth and not to implement drastic cost-cutting measures in the short term. Key management of the Group has taken the lead to cut their pay by 10% with some managers taking a 3% cut in salaries. Most of the staff have been requested to take 6 days of annual leaves in April 2020. During this period, the Group will be focusing on staff training and building a stronger team to prepare for the Group’s long-term growth. Therefore, after offsetting temporary relieves from the Singapore Government, including the Job Support Scheme and foreign worker levy rebate, the Group is still expecting a substantial impact on the financial results for HY2020.
6. The Group is also requesting its vendors, including landlords, to reduce charges during the Circuit Breaker. Whilst some landlords have agreed to waive the rental fees for April 2020, the Group continues to engage its vendors on an on-going process.

7. The Group's unaudited cash and bank balances totalled approximately S\$5.3 million as at 31 March 2020 as compared to S\$5.8 million as at 31 December 2019. The reduction is due mainly to the expenses incurred during 3M2020 as a result of lower revenue and the payment of fixed costs (including staff costs and overheads), as well as the payments made for the inventories and expenses for the preparation of Whisky Journey, a whisky event organised by a subsidiary that was meant to be held in May 2020 and is now postponed to November 2020.
8. The Group has no external loan and there are no externally imposed conditions and restrictions on the Group, and there is no contractual commitment currently other than the plan to carry out Whisky Journey in November 2020.
9. The Group does not foresee any material impairment to its receivables and inventories as the majority of the sales were outlet sales with no credit terms and the inventories were stated at historical costs with no indication of falling market prices or drastic fall in demand other than the result of the Circuit Breaker.
10. At this stage, the Company is unable to determine the extent of the financial impact on the earnings per share and net asset value per share of the Group for the current financial year ending 31 December 2020, but the Group is expected to report a financial loss for HY2020.
11. Barring any unforeseen circumstances, the expected losses for HY2020 and the decrease in cash and bank balances are not expected to affect the ability of the Group to continue as a going concern and its ability to fulfill its obligations. The Group will also explore financing options to improve its liquidity, such as government-assisted loan with lower financing cost, should the need arises.
12. The Group will continue to monitor its sales, cash flows and the evolving situation of COVID-19 closely. The Company will make the necessary announcement(s) in relation to the impact of new government measurement/policies on the Group's business operations as and when there are material developments on the matter.
- 13. Shareholders and investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.**

By Order of the Board

Chua Khoon Hui
Chief Executive Officer and Executive Director

29 April 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.