



TSH Corporation Limited
Company Registration No. 200003865N

Condensed Interim Financial Statements
For the 6 months and financial year ended 31 December 2021

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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 2021**

	Note	6 months ended 31 December			12 months ended 31 December		
		2021 \$'000 (Unaudited)	2020 \$'000 (Unaudited)	Change %	2021 \$'000 (Unaudited)	2020 \$'000 (Audited)	Change %
Revenue	4	2,529	2,332	8.4	5,168	4,152	24.5
Cost of sales		(763)	(664)	14.9	(1,452)	(1,089)	33.3
Gross profit		1,766	1,668	5.9	3,716	3,063	21.3
Other income		425	365	16.4	1,050	899	16.8
General and administrative expenses		(2,207)	(1,787)	23.5	(4,115)	(3,579)	15.0
Selling and distribution expenses		(52)	(49)	6.1	(108)	(83)	30.1
Other operating expenses		(402)	(1,516)	(73.5)	(755)	(2,180)	(65.4)
Finance costs		(40)	(23)	73.9	(82)	(53)	54.7
Share of results of associate		–	(1)	n.m.	–	(1)	n.m.
Loss before tax	5	(510)	(1,343)	(62.0)	(294)	(1,934)	(84.8)
Income tax expense	6	(21)	(16)	31.3	(21)	(16)	31.3
Loss for the year, representing loss attributable to owners of the Company		(531)	(1,359)	(60.9)	(315)	(1,950)	(83.8)
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>							
Foreign currency translation		–	(3)	n.m.	–	(1)	n.m.
Reclassified 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		(535)	(1,362)	(60.7)	(319)	(1,951)	(83.6)
Loss per share - Basic and diluted (cents per share)	7	(1.20)	(3.06)	(60.8)	(0.71)	(4.40)	(83.9)

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 2021

	Note	Group		Company	
		31 December		31 December	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets					
Plant and equipment	9	90	185	–	–
Right-of-use assets		418	754	–	–
Intangible assets	10	7	14	–	–
Investment in subsidiaries		–	–	7,706	7,706
Investment in associate [#]		–	–	–	–
Other receivables		59	148	–	–
Deferred tax assets		94	116	–	–
		668	1,217	7,706	7,706
Current assets					
Inventories		5,460	3,955	–	–
Trade and other receivables		680	550	4,600	1,728
Cash and bank balances		4,692	4,435	3,288	3,534
		10,832	8,940	7,888	5,262
Total assets		11,500	10,157	15,594	12,968
Current liabilities					
Contract liabilities		128	3	–	–
Trade and other payables		1,555	1,861	412	419
Bank borrowing	11	553	–	553	–
Income tax payable		–*	–*	–	–
Lease liabilities		500	797	–	–
Provision for restoration costs		72	41	–	–
		2,808	2,702	965	419
Net current assets		8,024	6,238	6,923	4,843
Non-current liabilities					
Bank borrowing	11	1,947	–	1,947	–
Deferred tax liabilities		–	2	–	–
Lease liabilities		207	555	–	–
Provision for restoration costs		43	84	–	–
		2,197	641	1,947	–
Total liabilities		5,005	3,343	2,912	419
Net assets		6,495	6,814	12,682	12,549

TSH Corporation Limited

**Condensed interim statements of financial position
As at 31 December 2021**

	Note	Group		Company	
		31 December		31 December	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Equity attributable to owners of the Company					
Share capital	12	4,569	4,569	12,546	12,546
Capital reserve		1,452	1,452	–	–
Foreign currency translation reserve		–	4	–	–
Revenue reserve		474	789	136	3
Total equity		6,495	6,814	12,682	12,549
Total equity and liabilities		11,500	10,157	15,594	12,968

#: The associate, Timber Malt Pte. Ltd., was struck off during the year (31 December 2020: Fully impaired).

*: 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 2021

	Attributable to owners of the Company				
	Share capital (Note 12) \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Group					
(Unaudited)					
At 1 January 2021	4,569	1,452	4	789	6,814
Loss for the year	–	–	–	(315)	(315)
<u>Other comprehensive income</u>					
Reclassified 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
(Audited)					
At 1 January 2020	4,569	1,452	5	2,739	8,765
Loss for the year	–	–	–	(1,950)	(1,950)
<u>Other comprehensive income</u>					
Foreign currency translation	–	–	(1)	–	(1)
Total comprehensive income	–	–	(1)	(1,950)	(1,951)
At 31 December 2020	4,569	1,452	4	789	6,814

TSH Corporation Limited

**Condensed interim statements of changes in equity
For the financial year ended 31 December 2021**

<u>Company</u>	Share capital (Note 12) \$'000	Revenue reserve \$'000	Total equity \$'000
(Unaudited)			
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	<u>12,546</u>	<u>136</u>	<u>12,682</u>
(Audited)			
At 1 January 2020	12,546	4,570	17,116
Loss for the year, representing total comprehensive income for the year	–	(4,567)	(4,567)
At 31 December 2020	<u>12,546</u>	<u>3</u>	<u>12,549</u>

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 2021**

	Note	2021 \$'000 (Unaudited)	2020 \$'000 (Audited)
Operating activities			
Loss before tax		(294)	(1,934)
Adjustments for:			
Amortisation of intangible assets	5	7	9
Depreciation of plant and equipment	5	142	373
Depreciation of right-of-use assets	5	474	947
Reversal of provision for restoration costs		(2)	–
Finance costs		82	53
Impairment of plant and equipment	5	92	345
Impairment of right-of-use assets	5	33	497
Interest income	5	(12)	(24)
Plant and equipment written off		4	1
Gain on striking-off of associate		(4)	–
Share of results of associate		–	1
Operating cash flows before changes in working capital		522	268
<u>Changes in working capital</u>			
Increase in inventories		(1,505)	(774)
Increase in trade and other receivables		(41)	(8)
(Decrease)/Increase in trade and other payables and contract liabilities		(236)	210
Cash flows used in operations		(1,260)	(304)
Interest received		12	5
Income taxes paid		(1)	(62)
Net cash flows used in operating activities		(1,249)	(361)
Investing activities			
Interest received		–	23
Net grant received for intangible assets		–	7
Purchase of plant and equipment		(150)	(24)
Withdrawal of fixed deposits		–	3,025
Net cash flows (used in)/generated from investing activities		(150)	3,031
Financing activities			
Interest paid		(52)	–
Payment of lease liabilities		(792)	(966)
Proceeds from bank borrowing		2,500	–
Net cash flow generated from/(used in) financing activities		1,656	(966)
Net increase in cash and cash equivalents		257	1,704
Cash and cash equivalents at beginning of the year		4,435	2,731
Cash and cash equivalents at end of the year		4,692	4,435

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 2021 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 2021 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 2020.

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 2020.

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.

In view of the temporary closure of outlets and restrictions on the number of customers imposed during Phase 2 and Phase 3 (Heightened Alert), during which earnings and cash flows were adversely impacted, there is indication that the Group's carrying amounts of the plant and equipment, right-of-use assets and the Company's investment in subsidiaries may be impaired.

The recoverable amounts of the plant and equipment and, 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 post-tax discount rate applied to cash flow projections is 9%. For the financial year ended 31 December 2021, management recognised impairment loss on the Group's plant and equipment, right-of-use assets and the Company's investment in subsidiaries of \$0.09 million (2020: \$0.35 million), \$0.03 million (2020: \$0.50 million) and \$Nil (2020: \$4.58 million) respectively.

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 2021

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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Sale of goods	2,463	2,131	5,077	3,893
Rendering of services	66	201	91	259
	<hr/>	<hr/>	<hr/>	<hr/>
	2,529	2,332	5,168	4,152
	<hr/>	<hr/>	<hr/>	<hr/>
At a point in time	2,463	2,131	5,077	3,893
Over time	66	201	91	259
	<hr/>	<hr/>	<hr/>	<hr/>
	2,529	2,332	5,168	4,152
	<hr/>	<hr/>	<hr/>	<hr/>

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 2021**

5. Loss before taxation

	Group			
	6 months ended 31 December		12 months ended 31 December	
	2021	2020	2021	2020
	\$'000 (Unaudited)	\$'000 (Unaudited)	\$'000 (Unaudited)	\$'000 (Audited)
Other income includes:				
Government grants	363	233	709	693
Interest income	6	6	12	24
Rental rebates	26	121	295	160
Expenses include:				
Amortisation of intangible assets	4	9	7	9
Depreciation of plant and equipment	67	184	142	373
Depreciation of right-of-use assets	202	473	474	947
Impairment of plant and equipment	92	345	92	345
Impairment of right-of-use assets	33	497	33	497
Interest expense on bank borrowing	29	–	55	–
Interest expense on lease liabilities	11	23	27	53
Operating lease expenses				
- Fixed expenses	141	1	212	2
- Variable expenses	12	14	20	23

6. Taxation

The Group calculates the period 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	
	2021	2020	2021	2020
	\$'000 (Unaudited)	\$'000 (Unaudited)	\$'000 (Unaudited)	\$'000 (Audited)
<i>Current tax</i>				
- Current income tax	– *	– *	– *	– *
- Under/(over) provision in respect of previous years	–	(51)	–	(51)
	– *	(51)	– *	(51)
<i>Deferred tax</i>				
- Origination and reversal of temporary differences	36	(31)	36	(31)
- (Over)/under provision in respect of previous years	(15)	98	(15)	98
	21	67	21	67
Income tax expense recognised in condensed interim consolidated statement of comprehensive income	21	16	21	16

*: Less than \$500.

TSH Corporation Limited

Notes to the condensed interim financial statements For the financial year ended 31 December 2021

7. Loss per share

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

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

	Group			
	6 months ended 31 December		12 months ended 31 December	
	2021 \$'000 (Unaudited)	2020 \$'000 (Unaudited)	2021 \$'000 (Unaudited)	2020 \$'000 (Audited)
Loss for the year, representing loss attributable to owners of the Company	(531)	(1,359)	(315)	(1,950)
	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. Significant related party transactions

(a) *Compensation of key management personnel*

	Group	
	2021 \$'000 (Unaudited)	2020 \$'000 (Audited)
Salaries and bonuses	506	511
Central Provident Fund contributions	25	30
	531	541

9. Plant and equipment

During the year ended 31 December 2021, the Group acquired assets amounting to approximately \$142,000 (2020: \$24,000) and written off assets amounting to approximately \$4,000 (2020: \$1,000).

TSH Corporation Limited

**Notes to the condensed interim financial statements
For the financial year ended 31 December 2021**

10. Intangible assets

	Software \$'000
Group	
At 31 December 2020	
(Audited)	
Cost	29
Accumulated amortisation	(15)
Net book amount	<u>14</u>
Year ended 31 December 2021	
(Unaudited)	
Opening net book amount	14
Amortisation charge	(7)
Closing net book amount	<u>7</u>
At 31 December 2021	
(Unaudited)	
Cost	29
Accumulated amortisation	(22)
Net book amount	<u>7</u>

11. Bank borrowing

	Group and Company	
	31 December	
	2021	2020
	\$'000	\$'000
	(Unaudited)	(Audited)
<u>Amount repayable within one year or on demand</u>		
Secured	–	–
Unsecured	553	–
<u>Amount repayable after one year</u>		
Secured	–	–
Unsecured	1,947	–

The bank borrowing of the Group is unsecured. Certain subsidiaries of the Group have provided corporate guarantees in relation to the bank borrowing.

TSH Corporation Limited

**Notes to the condensed interim financial statements
For the financial year ended 31 December 2021**

12. Share capital

	Group 31 December 2021 (Unaudited)		Company 31 December 2020 (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 2021.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2021 and 2020.

There were no changes to the Company's share capital as at 31 December 2021 and 2020. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2021 and 2020.

13. Financial assets and financial liabilities

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

	Group 31 December		Company 31 December	
	2021 \$'000 (Unaudited)	2020 \$'000 (Audited)	2021 \$'000 (Unaudited)	2020 \$'000 (Audited)
Financial Assets				
Total trade and other receivables	412	505	4,582	1,713
Cash and bank balances	4,692	4,435	3,288	3,534
Total financial assets at amortised cost	5,104	4,940	7,870	5,247
Financial Liabilities				
Total trade and other payables	1,508	1,803	395	409
Lease liabilities	707	1,352	–	–
Bank borrowing	2,500	–	2,500	–
Total financial liabilities carried at amortised cost	4,715	3,155	2,895	409

TSH Corporation Limited

**Notes to the condensed interim financial statements
For the financial year ended 31 December 2021**

14. **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	
	2021	2020	2021	2020
	\$	\$	\$	\$
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value per ordinary share	0.1464	0.1536	0.2859	0.2829

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 2020: 44,355,491 shares).

15. **Subsequent event**

The 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 2021 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 2021 ("2H21") vs 6 months period ended 31 December 2020 ("2H20")

The revenue of the Group increased by \$0.20 million or 8.4% from \$2.33 million in 2H20 to \$2.53 million in 2H21 due mainly to less closures as a results of safe management measures mandated by the Singapore Government as compared to 2H20 and the contribution from a new outlet (Signature Reserve) opened in March 2021, but moderated by the lower contribution from an outlet (Copper) which was closed upon the expiry of its lease in September 2021.

The loss after tax reduced by \$0.83 million or 60.9% from \$1.36 million in 2H20 to \$0.53 million in 2H21 due mainly to lower impairment of right-of-use assets ("**ROUA**") and plant and equipment ("**PE**") of \$0.46 million and \$0.25 million respectively, and decrease in depreciation of ROUA and PE of \$0.27 million and \$0.12 million respectively, higher gross profit generated of \$0.10 million. However, this was moderated mainly by the operating expenses of Signature Reserve mentioned above, additional supports hired, and rental expenses of outlets with lease tenure of a year.

12 months period ended 31 December 2021 ("FY21") vs 12 months period ended 31 December 2020 ("FY20")

The revenue of the Group increased by \$1.02 million or 24.5% from \$4.15 million in FY20 to \$5.17 million in FY21 due mainly to less closures as a result of the safe management measures mandated by the Singapore Government as compared to FY20 and the contribution from a new outlet (Signature Reserve) opened in March 2021, but moderated by the lower contribution from an outlet (Copper) which was closed upon the expiry of its lease in September 2021.

The gross profit of the Group increased by \$0.65 million or 21.3% from \$3.06 million in FY20 to \$3.72 million in FY21 due mainly to the higher revenue generated. However, the gross margin has reduced by 1.9% from 73.8% in FY20 to 71.9% in FY21 attributed mainly to the drop in sales of better margin items and promotions offered to boost sales in FY21.

The loss before tax of the Group has reduced by \$1.64 million or 84.8% from \$1.93 million in FY20 to \$0.29 million in FY21 due mainly to lower other operating expenses, higher gross profit as mentioned above and higher other income, but moderated mainly by higher general and administrative expenses.

The other operating expenses reduced by \$1.43 million or 65.4% from \$2.18 million in FY20 to \$0.76 million in FY21 due mainly to decrease in impairment of ROUA and PE of \$0.46 million and \$0.25 million respectively, and decrease in depreciation of ROUA and PE of \$0.47 million and \$0.23 million respectively. The decrease in depreciations was mainly due to the impairment made on certain assets in FY20.

The other income increased by \$0.15 million or 16.8% from \$0.90 million in FY20 to \$1.05 million in FY21 due mainly to higher rental rebates from the landlord of \$0.14 million.

The general and administrative expenses increased by \$0.54 million or 15.0% from \$3.58 million in FY20 to \$4.12 million in FY21 due mainly to the operating expenses of Signature Reserve mentioned above, additional supports hired, and rental expenses of outlets with lease tenure of a year.

Consequently, the Group's loss for the year reduced by \$1.64 million or 83.8% from \$1.95 million in FY20 to \$0.32 million in FY21.

Statement of financial position

The non-current assets of the Group decreased by \$0.55 million or 45.1% from \$1.22 million as at 31 December 2020 to \$0.67 million as at 31 December 2021 due mainly to lower ROUA, PE, and other receivables.

The ROUA decreased by \$0.34 million or 44.6% due mainly to the depreciation of \$0.47 million, and partially offset by additions of \$0.17 million in FY21. The PE decreased by \$0.10 million or 51.4% due mainly to the depreciation of \$0.14 million and impairment of \$0.09 million, and partially offset by mainly the additions for Signature Reserve. The other receivables decreased by \$0.09 million or 60.1% due to the reclassification of deposits to current assets.

The current assets increased by \$1.89 million or 21.2% from \$8.94 million as at 31 December 2020 to \$10.83 million as at 31 December 2021 due mainly to the increase in inventories of \$1.51 million or 38.1% attributed mainly to the purchase of whisky casks from 12 to more than 20 years of age, increase in cash and bank balances of \$0.26 million or 5.8%, and increase in trade and other receivables of \$0.13 million or 23.6% attributed mainly to the reclassification of deposits from non-current assets as mentioned above.

The current liabilities increased by \$0.11 million or 3.9% from \$2.70 million as at 31 December 2020 to \$2.81 million as at 31 December 2021 due mainly to the drawdown of a bank borrowing and the increase in contract liabilities, but moderated by the reduction in trade and other payables and lease liabilities.

A bank borrowing of \$2.50 million was drawn down in January 2021 to provide more working capital to the Group, of which \$0.55 million was repayable within the next 12 months. The contract liabilities increased by \$0.13 million due mainly to the collections from customers for whisky not delivered at year end. The trade and other payables reduced by \$0.31 million or 16.4% due mainly to less purchases at year end and the absence of deferred grant income of \$0.11 million as at last year end. The lease liabilities reduced by \$0.30 million or 37.3% due mainly to repayments during the year.

The non-current liabilities increased by \$1.56 million from \$0.64 million as at 31 December 2020 to \$2.20 million as at 31 December 2021 due to the drawdown of the bank borrowing mentioned above, but moderated by the repayments of lease liabilities in FY21.

Statement of cash flows

The net cash flows used in operating activities of \$1.25 million was attributed mainly to the increase in inventories of \$1.51 million and the reduction in trade and other payables and contract liabilities of \$0.24 million, but moderated by the operating cash flows before changes in working capital of \$0.52 million.

The net cash used in investing activities of \$0.15 million was related mainly to the purchase of plant and equipment for Signature Reserve mentioned above.

The net cash generated from financing activities of \$1.66 million was attributed to the drawdown of the bank borrowing of \$2.50 million mentioned above, but moderated mainly by the repayment of lease liabilities of \$0.79 million.

These have resulted in an increase in cash and cash equivalents of \$0.26 million in FY21.

3. 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 4 February 2022 that the Group expected to report a financial net loss for FY21 and the financial results for FY21 is consistent with the guidance issued.

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 currently dependent heavily on the Government's safe management measures that require safe distancing and restricting the operating hours, number of customers per table and the influx of tourists to Singapore. Other factors include the general economic outlook, growth in consumer affluence in Singapore and Singapore tourism and hospitality industry.

The easing of the safe management measures such as extending the operating hours and increasing the number of customers per table, if allowed and barring any unforeseen circumstances, is expected to improve the business revenue of the Group.

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.

In relation to the announcement made on 17 March 2021 regarding the Company's entry into a non-binding memorandum of understanding ("**MOU**") with China Liquor Limited ("**CLL**"), the Company would like to update that the Company has served a notice on 11 February 2022 to terminate the MOU in view of the slow progress. The Company has separately announced on 1 March 2022 that the termination is effective and it is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2022.

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. No dividends were declared in the previous corresponding period.

(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 2021 in view of the loss incurred.

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 FY21.

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:

The Group	FY21 (Unaudited) \$'000	FY20 (Unaudited) \$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	2,639	1,820	45.0
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	216	(591)	n.m.
(c) Sales reported for second half year	2,529	2,332	8.4
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(531)	(1,359)	(60.9)

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	47	Spouse of Mr. Chua Khoon Hui	Director, Operations since 1 July 2021. Assists CEO in implementing strategies and managing overall business operations.	Ms Ng was the Head of Human Resource and Administration responsible for the overall human resource and administration matters of the Group. The Nominating Committee has recommended and the Board has approved the re-designation of Ms Ng to Director, Operations with effect from 1 July 2021.

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

Please refer to the Company's announcement released on SGXNet on 1 March 2022.

BY ORDER OF THE BOARD

Chua Khoon Hui
Executive Director and Chief Executive Officer

Singapore
1 March 2022