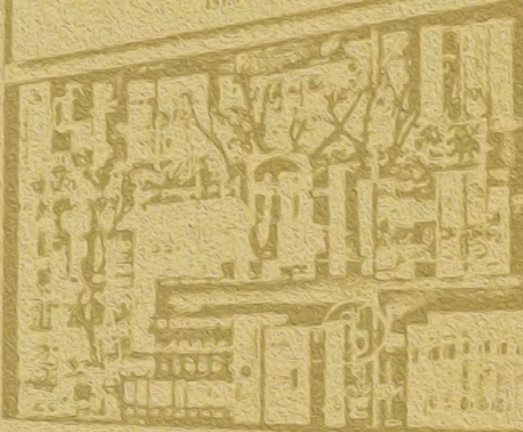


THE
OTHER
ROOF


QUAICH BAR
BALCHODDA - SINGAPORE
EST. 1997

THE
Whiskey STORE
FOR THE BEST
OF SPIRITS
ESTABLISHED 2005

THE
OTHER
ROOM



Copper



Signature Reserve



TSH Corporation Limited

ANNUAL REPORT 2021



TSH Corporation Limited

CONTENTS

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

This annual report 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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

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CORPORATE PROFILE

TSH Corporation Limited (the “Company”) focuses on offering premium whiskies and cocktails, and operating five outlets covering four distinct concepts, namely, Quaich Bar, The Other Room, The Other Roof, and Signature Reserve currently.

(a) Quaich Bar

Quaich Bar at Waterfront Plaza was opened since 2007 as Singapore’s first dedicated whisky concept and *Quaich Bar* at South Beach Avenue was opened in 2016.


The name ‘Quaich’ (pronounced as quake) is derived from the Scottish Gaelic word “cuach” which refers to a traditional two-handed drinking cup or bowl and remains a symbol of welcome and friendship in Scotland.

Each *Quaich Bar* stocks more than 200 different whisky labels with an emphasis on boutique single malt Scotch whiskies, and a sizeable range of selections of world whiskies including American, Irish, Indian, and South African whiskies. Food, snacks and other alcoholic beverages such as beer, wine and other spirits are also offered.

The outlets provide a relaxed environment, suitable for friendly gatherings, networking, and whisky appreciation. They also conduct whisky tasting sessions and pairing events to promote whisky knowledge and appreciation in Singapore. Retail sales of single malt Scotch whiskies and other spirits, wines and liquors are also carried out at the outlets.



 quaichbar.com.sg

 [quaichbar singapore](#)

 [quaichbar southbeach](#)



(b) **The Other Room**

The Other Room at Marriott Tang Plaza Hotel, opened in 2016, is a speakeasy-style cocktail bar with interior design inspired by the Prohibition era. The outlet offers over 300 in-house cask finished products, which is unique in Singapore. These casks allow the creation of bespoke cocktails through the art of finishing, where spirits are transferred into a second barrel that has previously stored a different liquid such as wine, sherry, madeira or port. These former inhabitants of the cask lend different flavours and aromas to the spirits.

The outlet also finishes spirits with spices, roots, teas, herbs, fruits, barks and coffee to obtain uniquely balanced flavour combinations. In addition, the outlet also offers food, snacks and conventional alcoholic beverages including whisky, rum, champagne, wine and beer.

(c) **The Other Roof**

The Other Roof at Ann Siang Hill, opened in 2018, is an open-air rooftop café bar for the working crowd in the central business district looking to entertain and unwind after office hours. The outlet offers a menu that focuses heavily on integrating tea infusions into cocktails with over 400 in-house tea-finished spirits and other alcoholic beverages including champagne, wine, non-alcoholic tea beverages as well as food and snacks. Tea leaves sourced from across the globe are also available for sale at this outlet.



(d) **Signature Reserve**

Signature Reserve at Fullerton Hotel, opened in March 2021, features an extensive range of whisky tasting sets that cater to both the beginners and the connoisseurs, from old and rare to avant-garde styled whiskies.

The outlet offers an experiential whisky and food pairing experience that aims at pushing the boundaries of discovering new flavours and textures that would delightfully surprise one’s senses. In addition, it has added a menu curated by Executive Chef, Corwin Leong, who has 37 years of culinary experience, of which 17 years was spent at Morton’s The Steakhouse.



We import the whiskies from boutique distilleries in Scotland, Ireland, South Africa and India, and independent bottlers and wholesalers in the United Kingdom, as well as other spirits, wines and liquors for our own outlets. In addition, we also distribute on a wholesale basis to other bars, country clubs, hotels, restaurants, corporate and individuals who wish to purchase whiskies in volume, and offer online retail sale of the whiskies that we are carrying under *The Whisky Store*.



We also purchase full casks of whisky for bottling and sale to retail customers or for bulk sales. Such trading of whisky in casks allows us to obtain exclusive 'single casks' whiskies that are not available to others. We released 257 bottles of the Ardbeg 26 years old in 2020 and 183 bottles of Bowmore 30 years old as the 2nd Islay Giants in 2021. The Islay Giants is a series of single casks from the Islay region, aged for at least 25 years and bottled under the Quaich Bar label, and these rare casks will continue to be bottled in 2022 and 2023.

During the year, we also collaborated with whisky legend, Frank McHardy ("**Frank**"), to purchase whisky casks and release our inaugural Signature Reserve Collection, aptly named the Frank McHardy series. Frank is a whisky veteran who has been in the industry for over 50 years with Scottish and Irish distilleries like Tamnaviluin, Bushmills, Brucichladich, and Springbank. As at 31 December 2021, we held more than 30 whisky casks, and they included, among others, Laphroaig 1992, Bunnahabhain 1989, and Littlemill 1990.

We also offer sourcing services to whisky aficionados who are looking to acquire whisky casks or whisky from a particular label and of a specific maturity that might not otherwise be available in the market.

Whisky Journey was initiated with the aims to drive distribution and retail sales, increase our engagement with the domestic whisky ecosystem, provide a stage to build awareness of whisky outlets, and to deepen our whisky legacy in Singapore. In the 2nd edition of Whisky Journey, which was similarly carried out at decentralised locations over 2 weekends in 2021 due to COVID-19 and the safe distancing measures, we attracted 21 participating outlets as compared to 15 outlets in 2020, and 22 brands of whiskies were featured. The participants could enjoy free whisky tasting samples at the participating bars, which carried one or more different whisky brands during the event period.



OUR PRESENCE

As at 31 March 2022

THE
OTHER
ROOM



THE OTHER ROOM
320 Orchard Road,
#01-05 Marriott Tang Plaza Hotel
Singapore 238865



QUAICH BAR SOUTH BEACH
30 Beach Road,
#01-16 South Beach Avenue
Singapore 189763



QUAICH BAR
390A Havelock Road,
#01-09/10 Waterfront Plaza
Singapore 169663



THE WHISKY STORE
315 Outram Road,
#14-02 Tan Boon Liat Building
Singapore 169074

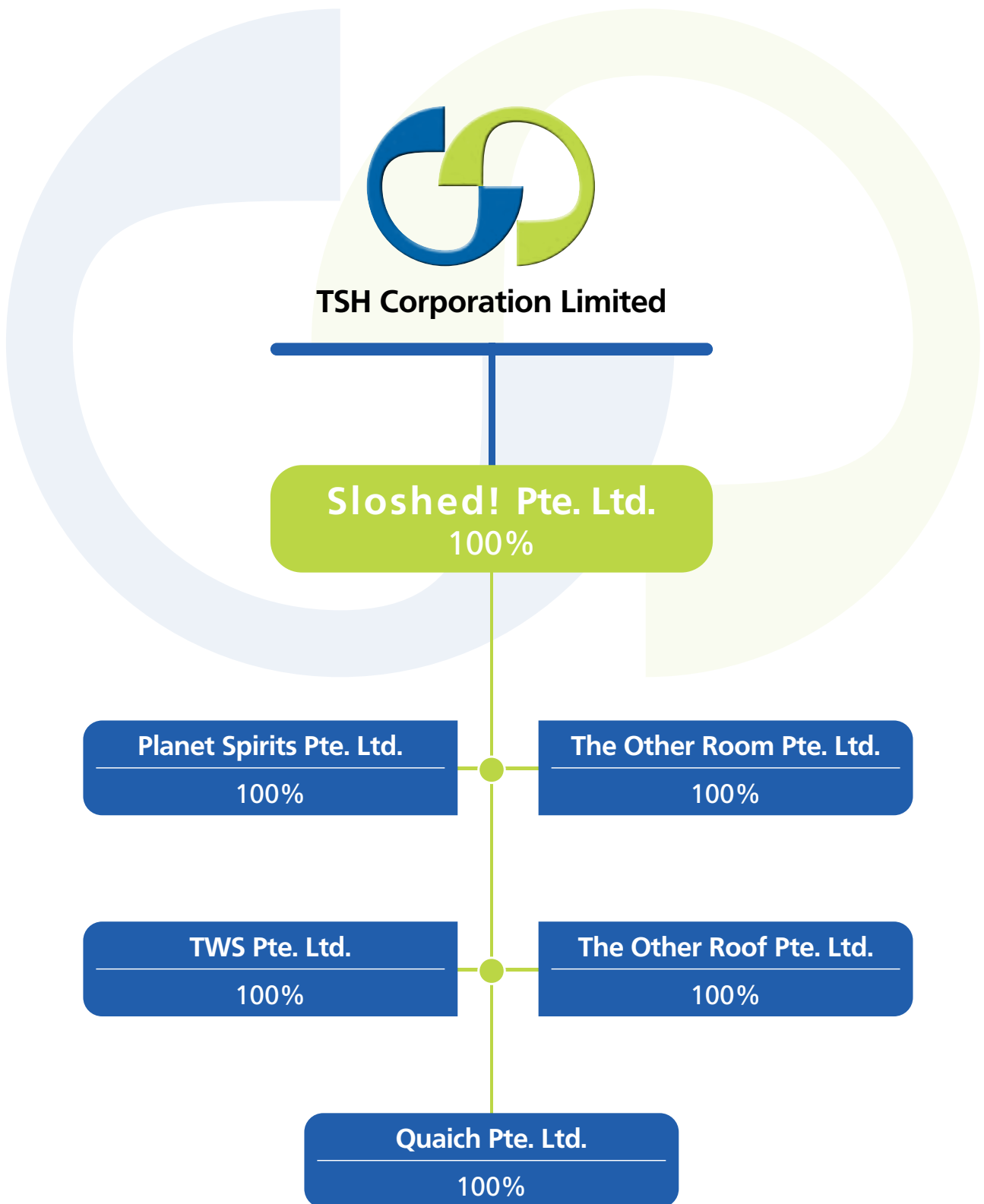


SIGNATURE RESERVE
#01-03 The Fullerton Hotel
One Fullerton Square
Singapore 049178

THE
OTHER
ROOF



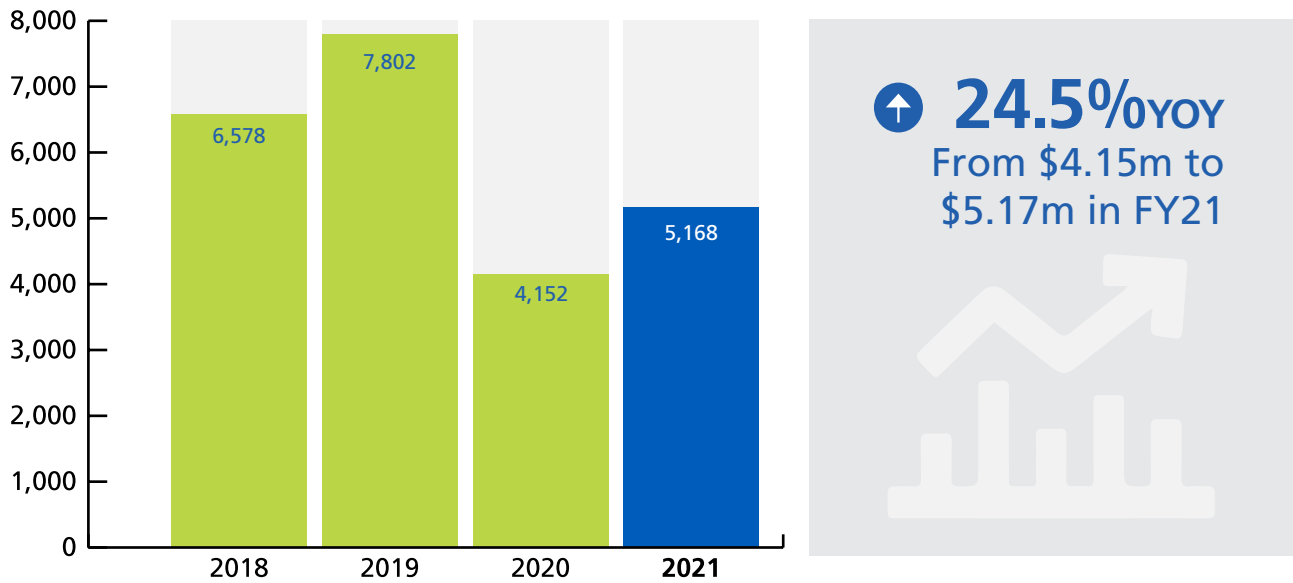
THE OTHER ROOF
28 Ann Siang Road
Singapore 069708



GROUP FINANCIAL HIGHLIGHTS

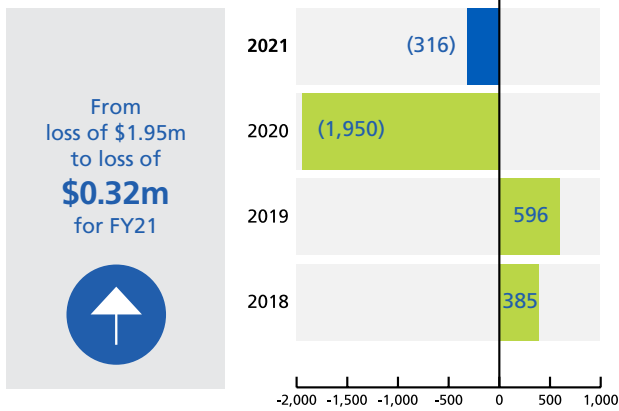
REVENUE

(\$'000)



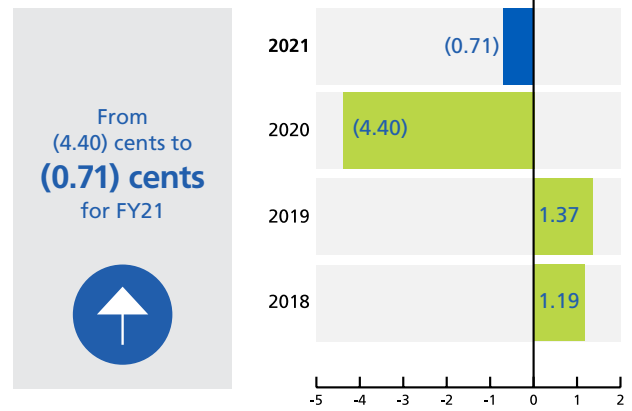
PROFIT / (LOSS) FOR THE YEAR

(\$'000)



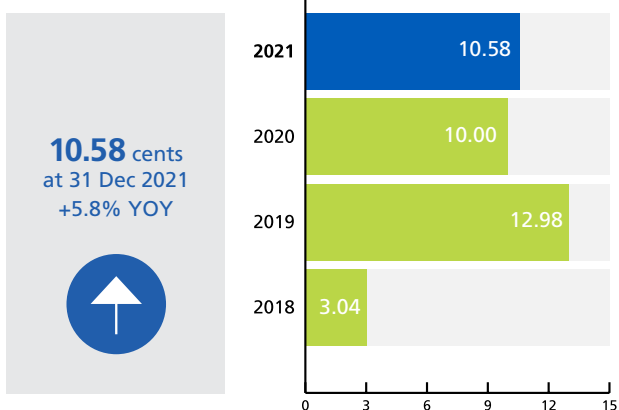
EARNING / (LOSS) FOR PER SHARE

(CENTS)



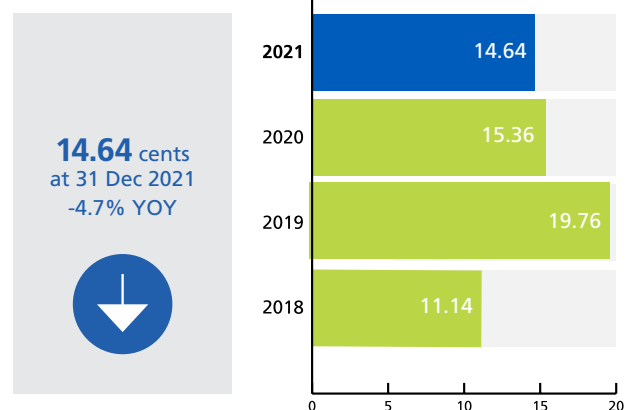
CASH PER SHARE

(CENTS)



NET ASSETS VALUE PER SHARE

(CENTS)



GROUP FINANCIAL HIGHLIGHTS

| | 2021 | 2020 | 2019 | 2018 |
|---|---------------|----------------|---------------|--------------|
| Income Statement (S\$'000) | | | | |
| Revenue | 5,168 | 4,152 | 7,802 | 6,578 |
| Gross profit | 3,717 | 3,062 | 5,849 | 4,798 |
| (Loss)/ Profit before tax | (295) | (1,934) | 565 | 467 |
| (Loss)/ Profit for the year | (316) | (1,950) | 596 | 385 |
| Balance Sheet (S\$'000) | | | | |
| Plant and equipment | 90 | 185 | 892 | 1,224 |
| Right-of-use assets | 418 | 754 | 2,198 | – |
| Inventories | 5,460 | 3,955 | 3,181 | 2,800 |
| Cash and bank balances | 4,692 | 4,435 | 5,756 | 983 |
| Other assets | 839 | 828 | 910 | 853 |
| Total assets | 11,499 | 10,157 | 12,937 | 5,860 |
| Equity | 6,494 | 6,815 | 8,766 | 3,603 |
| Borrowings | 2,500 | – | – | 50 |
| Other liabilities | 2,505 | 3,342 | 4,171 | 2,207 |
| Total equity and liabilities | 11,499 | 10,157 | 12,937 | 5,860 |
| Financing Ratios | | | | |
| (Loss)/Earnings per share - basic (cents) | (0.71) | (4.40) | 1.37 | 1.19 |
| Net assets value per share (cents) | 14.64 | 15.36 | 19.76 | 11.14 |
| Cash per share (cents) | 10.58 | 10.00 | 12.98 | 3.04 |
| Gearing ratio (times) | 0.05 | n.m. | n.m. | 0.23 |
| Return on Equity (%) | -4.9% | -28.6% | 6.8% | 10.7% |
| Return on total assets (%) | -2.7% | -19.2% | 4.6% | 6.6% |

n.m.: not meaningful

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the annual report of TSH Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the financial year ended 31 December 2021 (“**FY21**”).

Over the past two years, the food and beverage (“**F&B**”) industry in Singapore has been one of the most badly hit sectors with the economic downturn, lockdown measures and dine-in restrictions, as a result of COVID-19.

As we moved into an endemic phase, the F&B industry in Singapore is regaining some signs of pre-pandemic normalcy with safety management measures for dining-in and this is reflected in our financial performance in FY21 where our revenue jumped 24.5% to S\$5.17 million. More details of our financial performance in FY21 can be found in our Business Review section of the annual report.

POSITIVE MARKET PROSPECTS

The popularity and demand for whisky have been resilient amid the pandemic. Globally, the whisky market revenue is projected to cross US\$85 billion by 2027, according to a research report by Global Market Insights Inc¹. The growing consumer demand for premium alcoholic beverages is due to changing consumer perception that the consumption of whisky is a sign of high social status. This perception is expected to raise the demand for whisky further.

Whisky has been at the right place at the right time with various factors converging in its favour. Increasing trends around craft whisky, premiumisation and revivalism have helped fuel a shift in perceptions and attitudes among an emerging group of younger generation of adults that are starting to learn about whisky.

The steady consumption of whisky remains as the single biggest reason behind its resilient demand and growth.

In addition, whisky has become an alternative asset class for savvy investors. Scotch whisky is an especially hot commodity among affluent investors. According to the Knight Frank 2020 Wealth Report, rare whisky outperformed every other luxury asset class including cars, art, and wine, with values increasing 564 per cent over the last decade². As the world’s wealthiest have seen their fortunes surge, the luxury sector is keen to capture interest in alternative asset classes such as whisky.

The growing popularity of whisky has created a highly competitive market and direct importation rights from distilleries and bottlers in Scotland are highly sought after.

¹ <https://www.gminsights.com/industry-analysis/whiskey-market>

² <https://content.knightfrank.com/content/pdfs/global/the-wealth-report-2020.pdf>

STRENGTHENING OUR BUSINESS MODEL

For the Group, we have been focusing on premium whisky, particularly from the Scottish distilleries.

Since 2006, we have built up and maintained strong relationships with several of the distilleries and bottlers in Scotland and this has led to the Group holding exclusive rights for more than 20 brands in Singapore.

During the pandemic, we undertook various strategic initiatives to mitigate the impact of the pandemic and strengthen our business model.

On the digital front, we continued our online retail sale of the whiskies that we are carrying since 2020. In addition, we see the procuring and bottling whisky casks as a strong growth catalyst for the Group ahead.

In August 2021, we collaborated with whisky legend, Frank McHardy, to expand our business network for the purchase of whisky casks. Frank is a whisky veteran who has been in the industry for over 50 years with an illustrious career across various producers (both Scottish and Irish) like Tamnaviluin, Bushmills, Brucichladich, and Springbank.

The Group is continuing to invest in quality, good whisky casks and we have made purchases of whisky casks that allow us to obtain exclusive 'single casks' whiskies that are not available to others. Currently, we hold more than 30 whisky casks. As at 31 December 2021, notable casks that were in storage included Laphroaig 1992, Bunnahabhain 1989, as well as the official Littlemill 1990.

The Group also has a range of self-branded Scotch whiskies for independent bottlings. In order to create more awareness and brand differentiation, we worked with Frank to release a series of single-cask bottlings under our Quaich Bar Signature Reserve Collection series. We are continuing our efforts to enhance our brands, Quaich Bar and Signature Reserve locally with a view to expand our brands and products to overseas markets.

While the premium whisky market will attract more players in the near future, we will continue to leverage on our long-established collaboration and relationships with reputable distilleries and bottlers as well as distinguished whisky personalities to maintain the reputation and unique positioning of our brands and concepts.

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to take this opportunity to express our gratitude to our fellow Board members, management and all staff for their efforts and contributions as we navigate through the challenges facing the F&B industry amidst the current COVID-19 pandemic.

We would also like to give thanks to all our valued customers, vendors, and business partners for their continued support and trust in us.

Last but not least, we would like to thank our shareholders for your continuous commitment and support in us.

TSH is uniquely positioned to harness the opportunities in the global whisky market and we are moving into the new year ahead with renewed confidence.

Thank you.

Dr. Yu Lai Boon

*Non-Executive Chairman
and Independent Director*

BUSINESS REVIEW

BACKGROUND

TSH Corporation Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) are principally engaged in the businesses of operating a multi-concept chain of pubs and bars, and importation and distribution of spirits, wines, and liquors.

OVERALL

Income Statement

Revenue

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.

Gross Profit and Margin

The gross profit of the Group increased by \$0.65 million or 21.4% 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.

Other Income

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 of \$0.14 million.

General and Administrative Expenses

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 attributed mainly to the operating expenses of Signature Reserve mentioned above, additional supports hired, and rental expenses of outlets with lease tenure of one year.

Other Operating Expenses

The other operating expenses reduced by \$1.42 million or 65.3% from \$2.18 million in FY20 to \$0.76 million in FY21 due mainly to the decrease in 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 \$0.47 million and \$0.23 million respectively. The decrease in depreciations was due mainly to the impairment made on certain assets in FY20.

Income Statement - continued**Loss Before Taxation**

The loss before tax of the Group has reduced by \$1.64 million or 84.7% from \$1.93 million in FY20 to \$0.29 million in FY21 due mainly to lower other operating expenses, higher gross profit and higher other income, but moderated mainly by higher general and administrative expenses.

Loss For the Year

As a result of the above, the Group reported a reduction in loss of S\$1.63 million or 83.8% from \$1.95 million in FY20 to \$0.32 million in FY21.

Balance Sheet**Non-Current Assets**

The non-current assets of the Group decreased by \$0.55 million or 45.2% 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 44.5% due mainly to the depreciation of \$0.47 million, and partially offset by addition of \$0.17 million in FY21. The PE decreased by \$0.10 million or 51.5% 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 60.0% due to the reclassification of non-current deposits to current deposits.

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.

Current Liabilities

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 \$0.12 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 16.5% 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 37.2% due mainly to repayments during the year.

Non-Current Liabilities

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

Cash and Cash Equivalents

The Group reported an increase in cash and cash equivalents of S\$0.26 million as a result of the net cash flows generated from financing activities of S\$1.66 million, and moderated by the cash flows used in operating activities of S\$1.25 million and investing activities of S\$0.15 million.

Operating Activities

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.

Investing Activities

The net cash used in investing activities of \$0.15 million was related mainly to the purchase of PE for Signature Reserve.

Financing Activities

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.

The Group endeavours to grow and turnaround the business with some strategic initiatives such as online retail sales and procuring and bottling of whisky casks amidst the challenges caused by COVID-19 and the related safe management measures.

BOARD OF DIRECTORS

Dr. Yu Lai Boon

Non-Executive Chairman and Independent Director

| | |
|---|---|
| Board Committees served | Chairman of AC and RC and a member of NC |
| Date of first appointment as Director | 16 November 2018 |
| Date of last re-election as Director | 28 April 2021 |
| Present directorships in other listed companies | OTS Holdings Limited |
| Past directorships in other listed companies (within the last 5 years) | Koufu Group Limited |
| Other principal commitments | Non-Executive Chairman and Independent Director of OTS Holdings Limited |

Dr. Yu has approximately 25 years of experience in sovereign wealth fund investment, private equity investment, fund management and real estate development industries, real estate-related consultancy work. Dr Yu joined the Department of Real Estate, School of Design & Environment at National University of Singapore as a post-graduate researcher, research assistant and teaching assistant between March 1988 and September 1997. Between October 1997 and March 2006, he worked at Jones Lang LaSalle and was the regional director and Asia Pacific head of consultancy and research. He was subsequently appointed as managing director and country head. He was employed as the chief financial and investment officer of Nakheel Developments in Dubai from April 2006 to July 2006, and was subsequently employed as the Group Chief Investment Officer of Dubai World from July 2006 to April 2010.

Between August 2000 and December 2000, he was also a focus group member for the Ministry of National Development, providing advice on urban land economics in the formulation of the concept plan for the development of Singapore. From June 2003 to March 2006, he was an honorary advisor to the Real Estate Developer's Association of Singapore. He was a member of the Singapore Land Authority advisory panel from July 2014 to July 2016 and an adjunct associate professor of the Department of Real Estate, School of Design & Environment at the National University of Singapore between March 2014 and December 2015. He was the Lead Independent Director of Koufu Group Limited, a company listed on the Mainboard of the SGX-ST from 2018 to 2022. Dr Yu is currently a Non-Executive Chairman and Independent Director of OTS Holdings Limited, a company listed on the Catalist of the SGX-ST.

Dr. Yu holds a Bachelor of Science (Estate Management) (Honours) degree and a Master of Science (Estate Management) degree from the National University of Singapore. He also holds a Doctor of Philosophy degree in Urban Land Economics from the University of Aberdeen in Scotland. He is a member of the Singapore Institute of Surveyors and Valuers.

Mr. Chua Khoon Hui*Chief Executive Officer and Executive Director*

| | |
|---|-----------------|
| Board Committees served | Nil |
| Date of first appointment as director | 7 February 2019 |
| Date of last re-election as director | 26 June 2020 |
| Present directorships in other listed companies | Nil |
| Past directorships in other listed companies (within the last 3 years) | Nil |
| Other principal commitments | Nil |

Mr. Chua is in charge of the day-to-day management and smooth operations of the Group. He oversees the business development activities, sales and marketing and procurement and supply functions of the Group. He is also responsible for formulating corporate strategies for the Group, together with the Board of Directors.

He started his career in 1999 as an audit assistant at KPMG LLP and was subsequently promoted to audit senior in 2001. From 2002 to 2005, Mr. Chua ran a café called Joyce Restaurant & Pub together with his wife, Ng Pei Wah, who is the Director, Operations of the Group. In November 2005, he founded The Whisky Store and expanded the business till the size today.

Mr. Chua holds a Bachelor of Accountancy degree from Nanyang Technological University.

Mr. Tan Dah Ching*Non-Executive Independent Director*

| | |
|---|--|
| Board Committees served | Chairman of NC and a member of AC and RC |
| Date of first appointment as director | 7 April 2014 |
| Date of last re-election as director | 28 April 2021 |
| Present directorships in other listed companies | Nil |
| Past directorships in other listed companies (within the last 5 years) | Nil |
| Other principal commitments | Capital Market Director of Elite Partners Capital Pte Ltd |

Mr. Tan has over 17 years of experience in Corporate Finance. He is the Capital Market Director of Elite Partners Capital Pte Ltd, where he manages the capital markets and fundraising functions since 2019. Prior to that, Mr Tan was managing his own portfolio of investments, and was a Business Development Manager at Swissco Holdings Limited in charge of corporate finance activities from 2008 to 2013. Between 2006 and 2008, he worked as an Investment Manager at Kim Seng Holdings Pte Ltd, and was an associate at Genesis Capital Pte Ltd from 2003 to 2006, where he was involved in initial public offerings and corporate finance advisory works.

Mr. Tan holds a Bachelor of Engineering (Chemical Engineering) degree from the National University of Singapore.

Mr. Teo Kok Woon*Non-Executive Non-Independent Director*

| | |
|---|---|
| Board Committees served | Member of AC, NC and RC |
| Date of first appointment as Director | 11 August 2006 |
| Date of last re-election as Director | 26 June 2020 |
| Present directorships in other listed companies | Nil |
| Past directorships in other listed companies (within the last 5 years) | Nil |
| Other principal commitments | Chairman of Cockpit International Pte. Ltd. Group Executive Director of Goodearth Realty Private Limited |

Mr. Teo has approximately 27 years of experience as a hotelier and is currently the chairman of Cockpit International Pte Ltd and the group executive director of Goodearth Realty Private Limited, which is his family business in hotel and property investment. He is responsible for charting the strategic direction of these companies, in addition to overseeing their investment decisions, including looking for organic and inorganic growth opportunities. He is also responsible for providing operational guidance to the managers of the real estate investments, hotels and developments owned by these companies.

Mr. Teo holds a Bachelor of Business (Business Administration) degree from the Royal Melbourne Institute of Technology University.

EXECUTIVE MANAGEMENT TEAM

Mr. Chua Khoon Hui
Chief Executive Officer

Please refer to his profile set out in the “Board of Directors” section of this annual report.

Mr. Ng Kim Chew
Group Chief Financial Officer

Mr. Ng is responsible for the accounting, finance, treasury and tax functions of the Group.

He joined the Company as Finance Manager in 2004 before assuming the position of Group Chief Financial Officer (“CFO”) in March 2006. He stepped down as the Group CFO in December 2016 when the Company became a cash company and continued to assist the Board of Directors on all matters concerning the Company. He was re-appointed as the Group CFO when the Company completed the reverse acquisition of Slosed! Pte Ltd in February 2019. Prior to that, Mr Ng was with the assurance and advisory business services division of Ernst & Young LLP, Singapore since 1996 and left as a manager in 2004.

Mr. Ng is a Fellow of Association of Chartered Certified Accountants and a Fellow of the Institute of Singapore Chartered Accountants. He holds an MBA as well as a Graduate Certificate in Real Estate Finance from the National University of Singapore.

SUSTAINABILITY REPORT

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BOARD STATEMENT 102-14

Dear Stakeholders,

On behalf of the board of directors (“**Board**” or “**Directors**”) of TSH Corporation Limited (“**TSH**”), we are pleased to present our sustainability report for the financial year ended 31 December 2021 (“**FY21**”).

This Report is set out on a ‘comply or explain’ basis in accordance with Rule 711B and Practice Notice 7F of the SGX-ST Listing Manual Section B: Rules of Catalyst. It also draws on the internationally recognised framework, the Global Reporting Initiative’s (“**GRI**”) Sustainability Reporting Standards.

The Board has considered sustainability issues as part of its strategic formulation, determined the material environmental, social and governance (“**ESG**”) factors, and oversaw the management and monitoring of the material ESG factors.

We aim to inform our stakeholders about our sustainability efforts in a transparent and accountable manner. The report shares the Group’s strategies, policies, practices and performance in relation to material ESG issues. The 11 indicators identified last year still matter most to our business, internal and external stakeholders, and we will oversee the management and monitoring of these material ESG factors.

These material issues are accounted for through the following five sustainability strategies:



HUMAN CAPITAL

Being in the food and beverage industry, human capital is one of our greatest assets. Our team had 58 employees (47 full-time employees, 8 permanent part-time employees, and 3 hourly rate employees) as at 31 December 2021 and we strive towards taking care of and developing them.

We provide learning opportunities and are constantly strengthening our human resource policies to ensure the retention and attraction of employees.



INTEGRITY

The Board is committed to maintaining a high standard of corporate governance within the Group to achieve greater transparency and to protect the interests of its shareholders.

Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of the shareholders of the Company (the “**Shareholders**”).



HEALTH AND SAFETY

We are committed to ensuring the quality and safety of our products. It is important to us that the quality of our food and beverage products is maintained from the sourcing, manufacturing and process.

Additionally, we continued to maintain our controls and safe management measures at our workplace in view of COVID-19. This is on top of our policies on health and safety that are in place to protect all employees.



ECONOMIC PERFORMANCE

We believe in the creation of long-term economic value and consistent economic performance for the Group.

The Group generated revenue primarily through the offering of premium whiskies and cocktails. This was carried out via six outlets covering five distinct concepts, namely, Quaich Bar, The Other Room, The Other Roof, Copper and Signature Reserve, and the distribution arm, The Whisky Store, during the year. In September 2021, an outlet (Copper) was closed upon the expiry of its lease.



SUSTAINABILITY

It is essential to practice responsible stewardship of the environment to safeguard our finite resources. The Group supports global sustainability efforts in building a clean and green city for all to live, work and play in.

We remain conscious of our energy and water footprints and look for ways to reduce them while balancing our needs.

On behalf of the Board, we would like to extend our gratitude to all our stakeholders for the continuous engagement, partnership and support, and seek their continued support to build a sustainable growth and future.

Dr. Yu Lai Boon

*Non-Executive Chairman
and Independent Director*

ABOUT THE REPORT 102-14

REPORTING PERIOD 102-50 102-51 102-52

Our Sustainability Report is published on an annual basis, with this being our second report. This report covers FY21, for the period from 1 January 2021 to 31 December 2021.

Our last sustainability report, covering the period from 1 January 2020 to 31 December 2020 (“FY20”), was released on 24 November 2021.

REPORTING FRAMEWORK 102-54 102-56

This Report has been prepared in accordance with the GRI Standards: Core option. GRI is selected as it is globally applicable and sets out general principles and indicators with respect to economic, environment and social factors.

The GRI content index and relevant references are provided on pages 36 to 38. The data and information provided for the purpose of this Report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

REPORTING SCOPE 102-45

The data, statistics and improvement targets in this Report cover all of the operating subsidiaries of the Group, namely:

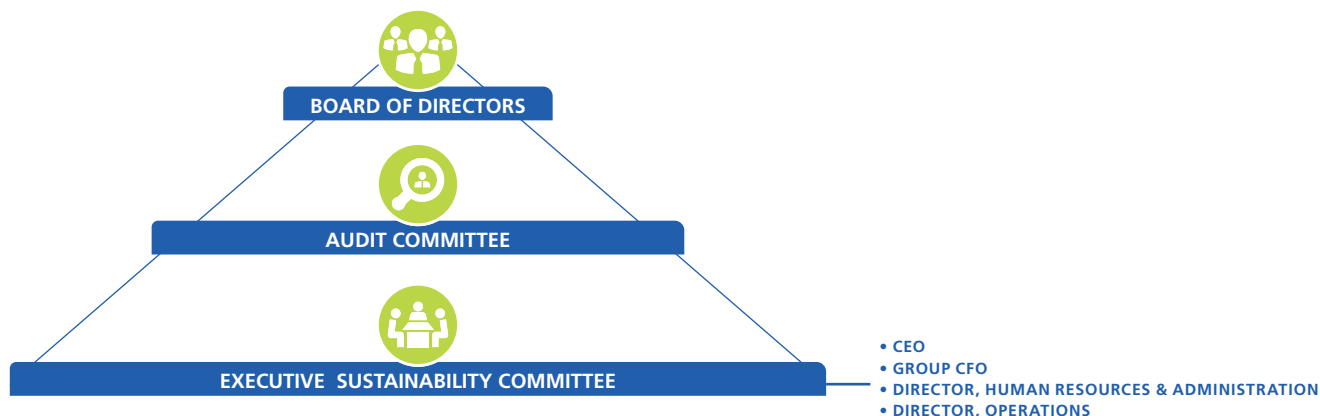
- TWS Pte Ltd (*Quaich Bar at Waterfront Plaza, Copper and Signature Reserve*)
- Quaich Pte Ltd (*Quaich Bar at South Beach*)
- The Other Room Pte Ltd (*The Other Room*)
- The Other Roof Pte Ltd (*The Other Roof*)
- Planet Spirits Pte Ltd (*The Whisky Store*)

FEEDBACK 102-53

We value your feedback, views and opinions. If you wish to share any feedback with us in terms of our sustainability performance, please write an email to esg@tshcorp.com.sg

GOVERNANCE STRUCTURE 102-18

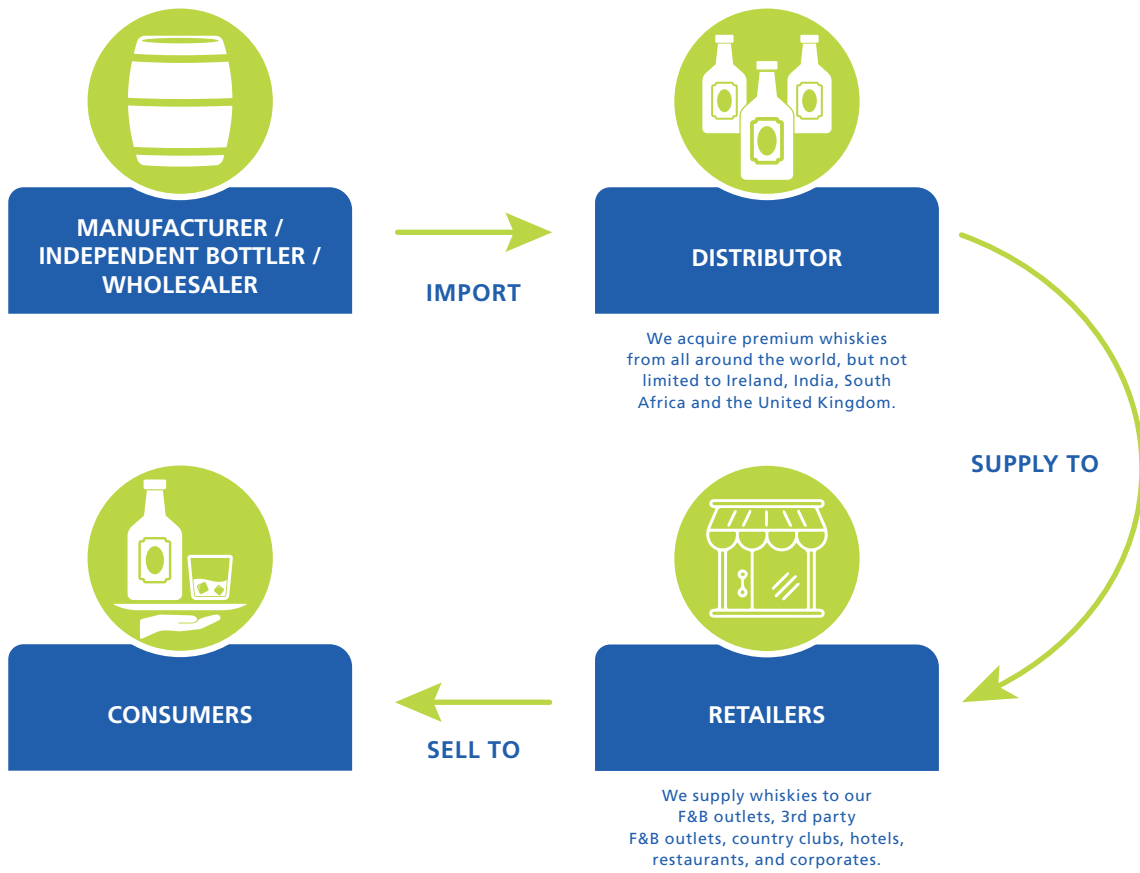
A robust governance structure helps to ensure that TSH is committed to sustainability. As such, the Group’s sustainability drive is spearheaded by the Executive Sustainability Committee which oversees the Group-wide sustainability strategies and initiatives.



MEMBERSHIPS & ASSOCIATIONS 102-13

TSH is not a member of any industry or associations, national or international advocacy organisations.

OUR SUPPLY CHAIN 102-9 102-10



SUSTAINABILITY APPROACH

OUR SUSTAINABILITY STRATEGIES



Our 5 pillars of sustainability strategies play a pivotal role in guiding us to create sustainable value for our stakeholders. They have been formalised by our Executive Sustainability Committee and approved by the Board.



STAKEHOLDER ENGAGEMENT [102-40](#) [102-42](#) [102-43](#) [102-44](#)

Business decisions made by the Group consider the interests of our stakeholders who are or would be affected by our operations and decision-making processes.




Our stakeholders include employees; suppliers; customers; regulators; investors; and shareholders whom we have identified considering the economic, environmental, and social impacts of our business, across the supply chain.

Stakeholder engagement is important as we seek opportunities to manage our business in a sustainable manner.

We continually engage our stakeholders in the performance of our business through various channels.

| | |
|---|--|
| <p>EMPLOYEES</p>  | <p>EXPECTATIONS : Occupational health and safety, fair labour practices and compensation, professional development</p> <p>ENGAGEMENT PLATFORMS : Training, grievance/ feedback channels, regular reviews and appraisals, staff memos</p> <p>FREQUENCY : Important notices are published when required</p> |
| <p>SUPPLIERS</p>  | <p>EXPECTATIONS : Clear two-way communication channels, timely feedback regarding product provided</p> <p>ENGAGEMENT PLATFORMS : Ad-hoc meetings to address issues, emails, phone or video calls</p> <p>FREQUENCY : Where necessary</p> |

STAKEHOLDER ENGAGEMENT 102-40 102-42 102-43 102-44 - continued

| | |
|--|--|
| <p>CUSTOMERS</p>  | <p>EXPECTATIONS : Service and product quality and excellence, timely follow-up on customer feedback, information and data security</p> <p>ENGAGEMENT PLATFORMS : Feedback channels (i.e. email, telephone), direct customers communication, social media, corporate website and email</p> <p>FREQUENCY : Daily basis through physical or digital interaction</p> |
| <p>REGULATORS</p>  | <p>EXPECTATIONS : Corporate governance, transparent and timely communication of information, compliance with rules and legislation</p> <p>ENGAGEMENT PLATFORMS : Communications with sponsors through emails, phone or video calls, notices sent through emails or mails of updates on regulations, public news channels</p> <p>FREQUENCY : As and when there are updates to regulations and statutes, half-yearly financial results announcements, as and when there are disclosures of material information</p> |
| <p>INVESTORS & SHAREHOLDERS</p>  | <p>EXPECTATIONS : Financial performance and sustainability of the business, risk minimisation and stable rate of return, business resilience, business strategy and direction, corporate governance and compliance, transparent and timely communication of information</p> <p>ENGAGEMENT PLATFORMS : Annual general meetings (“AGM”), corporate website and email, results announcements and news releases</p> <p>FREQUENCY : At least annually through AGM with announcements made in a timely manner</p> |

REPORTING PRINCIPLES 102-46

We applied the GRI reporting principles – stakeholder inclusiveness, sustainability context, materiality and completeness – in defining the report content by considering the Group’s activities, impact and substantive expectations and interests of our stakeholders.

MATERIALITY REVIEW PROCESS 102-46 102-47

The relevant topics and indicators that are covered in our Report were selected based on our review of the economic, environmental, social and governance impacts which were most significant and based on our consideration of the topics that our stakeholders are most concerned with, after continuous stakeholder engagement.

The materiality assessment was subsequently endorsed by the Group’s Executive Sustainability Committee. 11 topic specific indicators from the GRI’s Sustainability Reporting Standards 2016, grouped into 3 main categories, were identified as relevant and material to the operations of the Group.

MATERIALITY REVIEW PROCESS 102-46 102-47 - continued



SOCIAL

EMPLOYMENT
401-1

New employee hires and employee turnover

OCCUPATIONAL HEALTH AND SAFETY
403-1

Occupational health and safety management system

CUSTOMER HEALTH AND SAFETY
416-2

Incidents of non-compliance concerning the health and safety impacts of products and services

COMPLIANCE
419-1

Non-compliance with laws and regulations in the social and economic area



ENVIRONMENT

ENERGY
302-1

Energy consumption within the organisation

ENERGY
302-4

Reduction of energy consumption within the organisation

WATER AND EFFLUENTS
303-5

Water consumption

COMPLIANCE
307-1

Non-compliance with environmental laws and regulations



ECONOMIC

ECONOMIC PERFORMANCE
201-1

Direct economic value generated and distributed

ANTI-CORRUPTION
205-2

Communication and training on anti-corruption policies and procedures

ANTI-CORRUPTION
205-3

Confirmed incidents of corruption and actions taken

SOCIAL

EMPLOYMENT [102-7 102-8 401-1](#)

Human capital plays an integral role in building the extent of the success of TSH.

Being in the food and beverage industry, this is especially important to us.

It is essential that our hiring practices are fair, merit-based, and non-discriminatory so that we can recruit people with the right knowledge and expertise to contribute to the growth of our business. Our workforce is diverse and consists of employees from various genders, nationalities and ages. More importantly, we need to build a conducive and harmonious working environment so that our employees continue to stay with us.

We attract and retain our employees through some of the following examples:

- Providing medical, dental and life insurance coverage
- Staff welfare through staff discount and birthday gift
- Regular trainings
- Empowerment of authority for each area of expertise (E.g. A bartender can recommend his/her speciality drinks to customers)

The full breakdown of our employees by gender, region and age, retrieved from our HR software, is presented on pages 29 to 30.

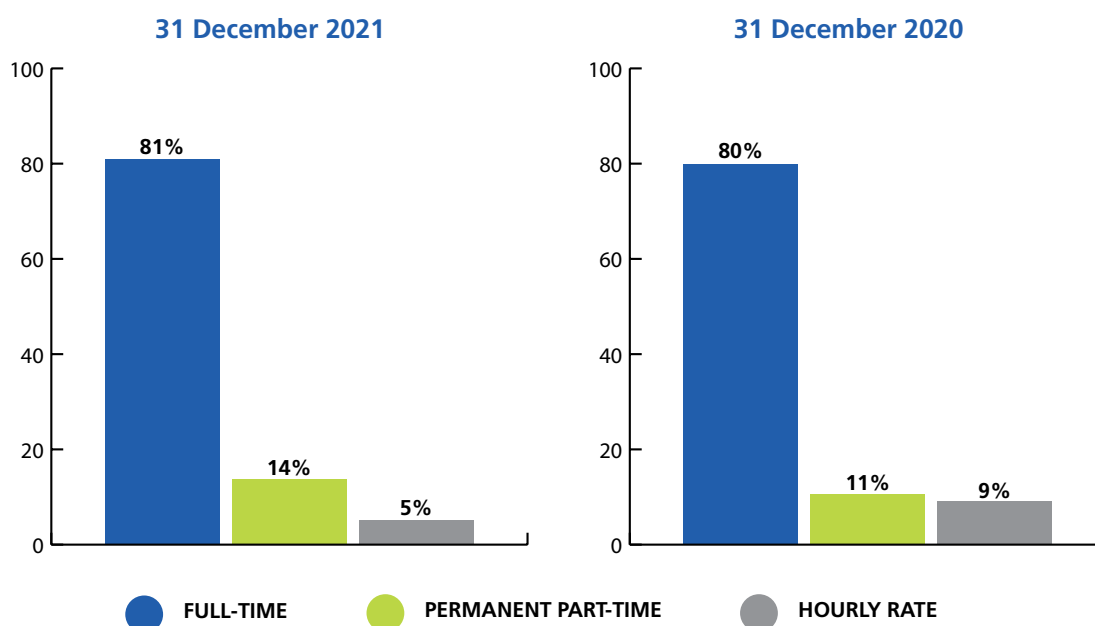
COLLECTIVE BARGAINING AGREEMENTS [102-42](#)

None of the employees are under collective bargaining agreements.

ABOUT OUR EMPLOYEES

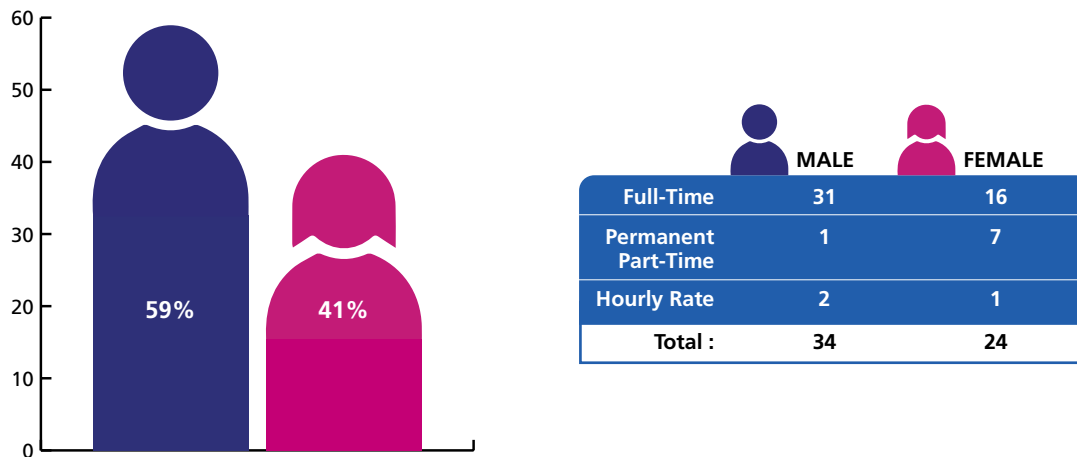
As at 31 December 2021, TSH had 58 employees, of which 47 are full-time employees, 8 are permanent part-time employees and 3 are hourly rate employees.

Group's Distribution by Employment Contract

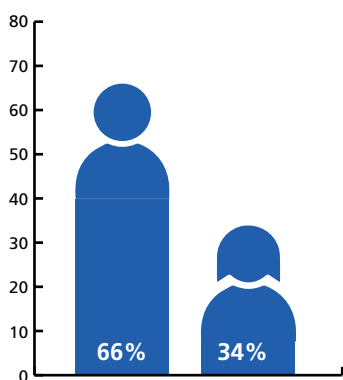


ABOUT OUR EMPLOYEES - continued

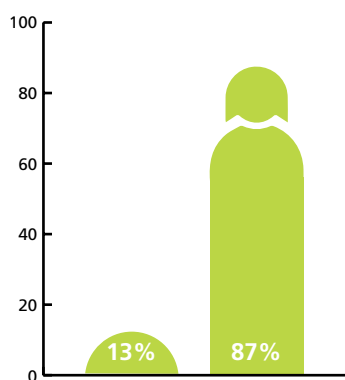
Group's Distribution by Gender as at 31 December 2021



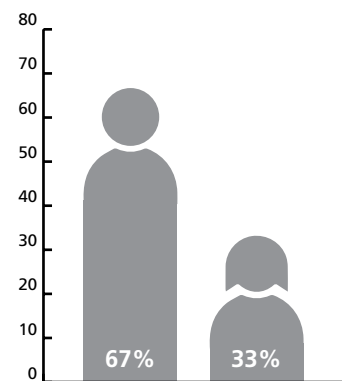
FULL-TIME



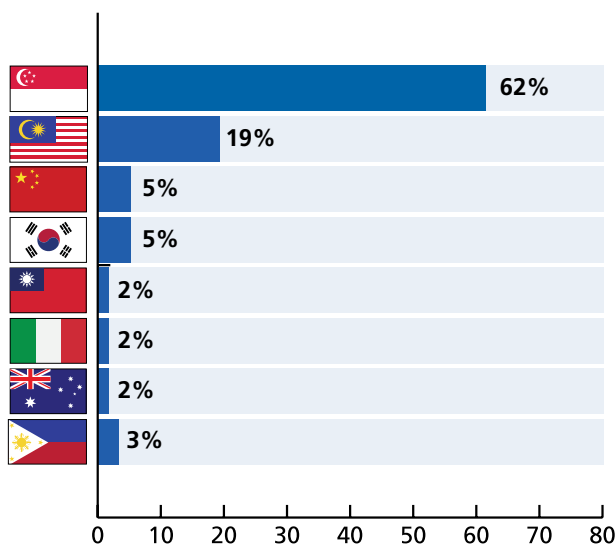
PERMANENT PART-TIME



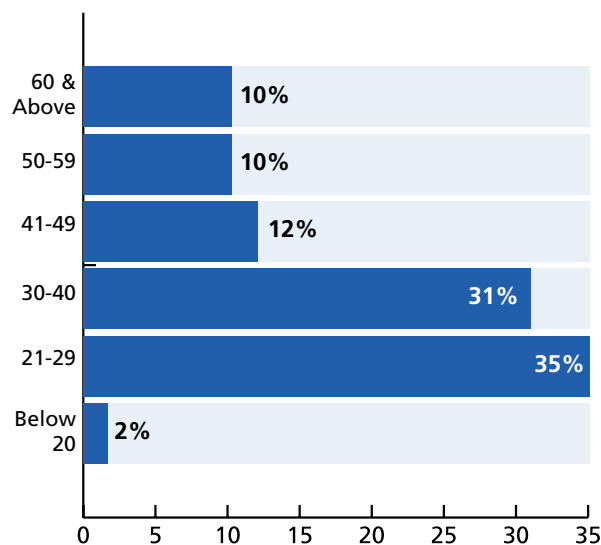
HOURLY RATE



Group's Distribution by Nationality



Group's Distribution by Age



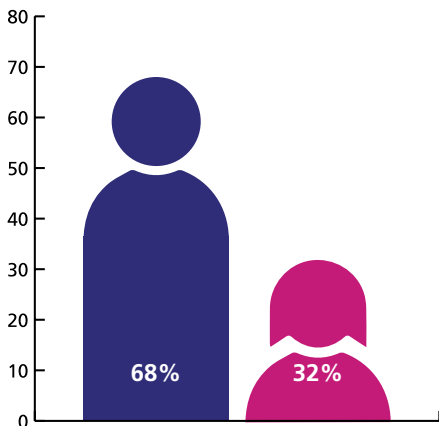
- AUSTRALIAN
- FILIPINO
- KOREAN
- SINGAPOREAN
- BRITISH
- ITALIAN
- MALAYSIAN
- TAIWANESE
- CZECH
- JAPANESE
- PEOPLE'S REPUBLIC OF CHINA
- VIETNAMESE

ABOUT OUR EMPLOYEES - continued

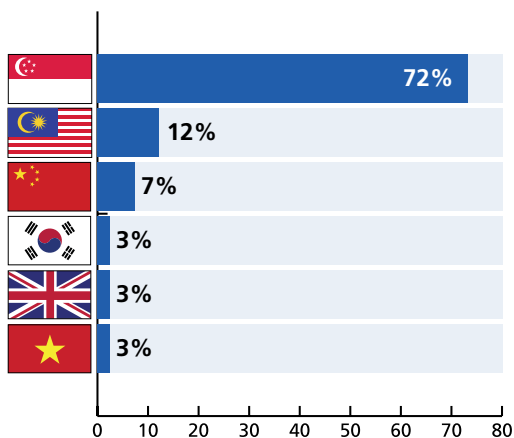
New Employee Hires

In FY21, we welcomed 41 new employees into our organisation. The demographics are presented below:

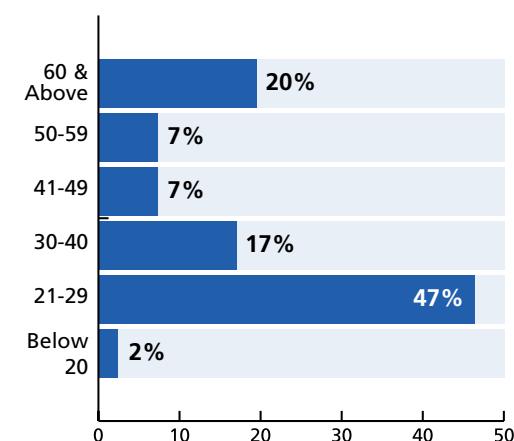
By Gender



By Nationality



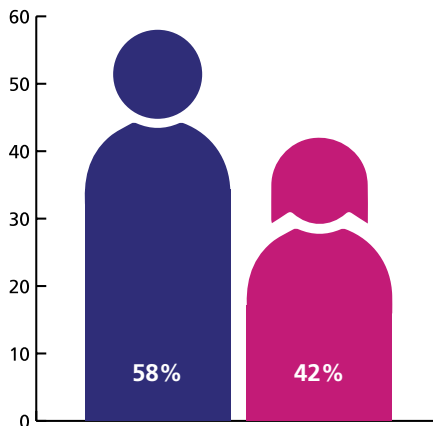
By Age



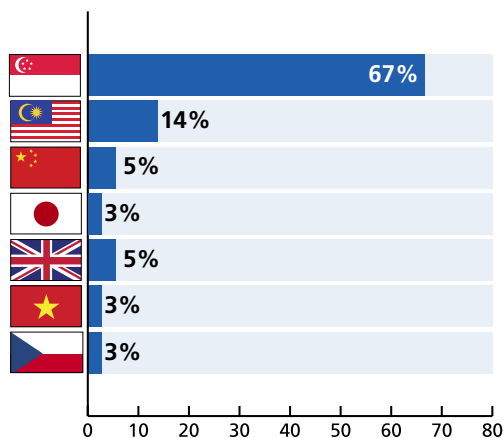
Employee Turnover

In FY21, 36 employees resigned from our organisation due to natural attrition and leaving TSH to seek better opportunities.

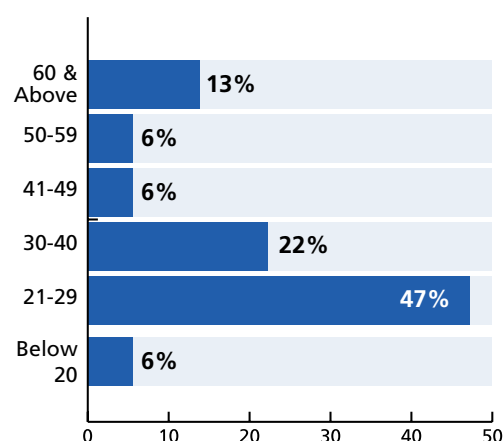
By Gender



By Nationality



By Age



OCCUPATIONAL HEALTH AND SAFETY 403-1

The safety of our employees is one of our top priorities. As such, we have established policies to protect them from any accidents in the workplace.

We have continued the safe distancing measures to protect our employees and customers in view of COVID-19. This is also done as required by the Ministry of Health (“MOH”) and Ministry of Manpower (“MOM”).





Safety Management Measures (COVID-19)

In view of COVID-19, we understand that our employees are placed in higher risk due to the operational nature of the job.

We continued our controls with the safe management measures at our workplace to ensure our workforce is being well taken care of.

We aim to act responsibly to do what we can to prevent the further spread of the virus.

Some of the measures we implemented to provide a safe working environment and minimise risks of further outbreaks within the workplace include:

| | |
|---|---|
|  | <p>APPOINTMENT OF SAFE MANAGEMENT OFFICER (“SMO”) The SMO will assist in the implementation, coordination and monitoring of the system of Safe Management Measures at the workplace.</p> |
|  | <p>CONTACT TRACING</p> <ul style="list-style-type: none"> - Ensure all guests scan SafeEntry QR code using a QR code scanner on a smartphone, using the TraceTogether App or presenting the TraceTogether Token for scanning. - Limit workplace access to only essential employees and authorised visitors. |
|  | <p>ENSURE SAFE DISTANCING</p> <ul style="list-style-type: none"> - Demarcate queue lines and ensure at least one-metre spacing between customers at areas such as entrances and cashier counters (e.g. through floor markers). - One-metre spacing must also be maintained between queues and seated diners. |
|  | <p>OTHER MEASURES</p> <ul style="list-style-type: none"> - Ensure that all employees, customers, delivery personnel and other onsite personnel put on their masks properly at all times, except when eating and drinking. - Ensure that common spaces and items, high-touch surfaces, and interactive components are frequently cleaned/disinfected. |

INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES 416-2

We achieved the target of no non-compliance concerning the health and safety impacts of products and services for FY21. We aim to maintain this for the financial year ending 31 December 2022 (“FY22”).

NON-COMPLIANCE WITH LAWS AND REGULATIONS 419-1

We achieved the target of no non-compliance with laws and regulations in the social and economic area for FY21. We aim to maintain this for FY22.

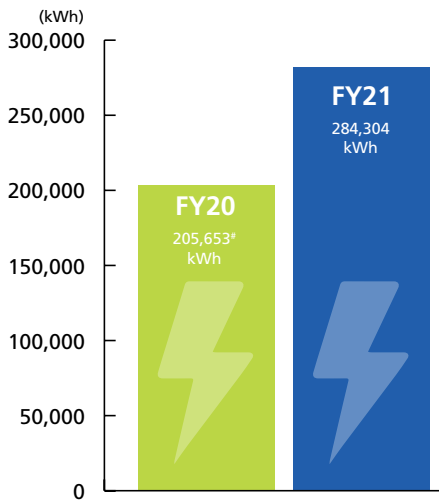
ENVIRONMENT

ENERGY CONSUMPTION AND ACTIONS TAKEN TO REDUCE CONSUMPTION 302-1 302-4

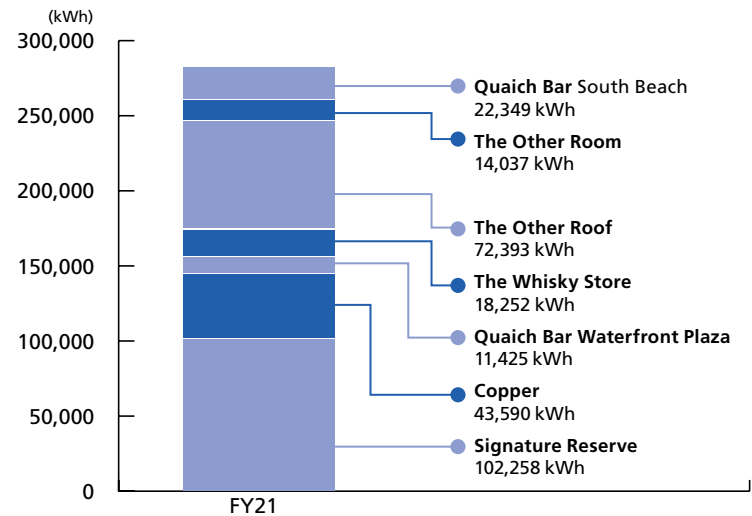
The Group’s energy consumption is used to operate our six outlets and one distribution point across Singapore. The energy consumption is based on our electricity consumption and the data is derived from our utility bill.

In FY21, the total energy consumption for the Group was 284,304 kWh*. The energy consumption for FY21 has increased by 78,651 kWh due mainly to the opening of Signature Reserve in FY21.

Energy Consumption (Group)



Energy Consumption (Individual)



* There was no energy consumption of Signature Reserve in FY20, and Copper has ceased operations in September 2021
 # The energy consumption of The Other Roof of 78,928 kWh is added in FY20 for comparison purposes

With the growing concern of sustainability, we try to reduce our carbon footprint through the following energy saving initiatives:



Scheduling regular maintenance and servicing work for our air-conditioning systems to ensure that they are running efficiently.



Replacing old and outdated kitchen equipment (excluding commercial products) with energy-efficient equipment with more ticks.



Turning off the dishwasher when not in use. Running the dishwasher at full load or the end of the day.



Using LED lights.



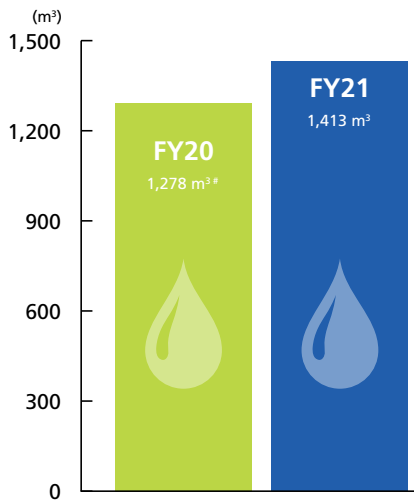
Reminding our employees to switch off electrical appliances when they are not in use and turn down the temperature of the fryer during the off-peak hours.

FY22 TARGET: Due to COVID-19, we are unable to determine our electricity consumption at full operational capacity. As such, the management will reassess the target next year.

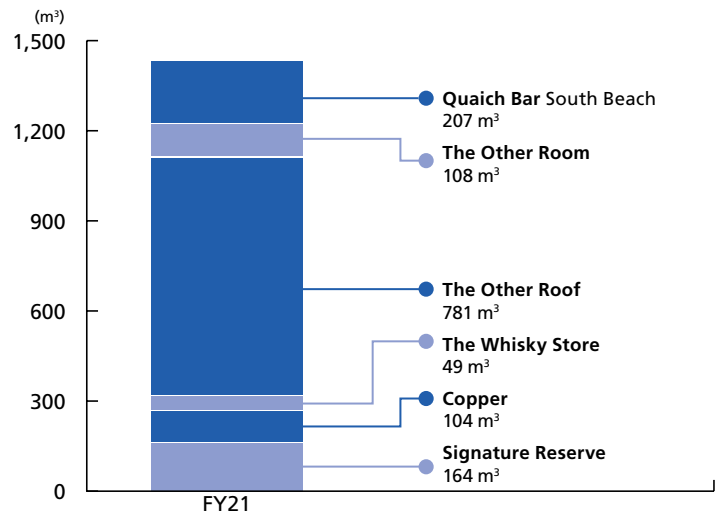
WATER CONSUMPTION 303-5

The Group’s water consumption is used to operate our six outlets and one distribution point across Singapore. The water consumption data is derived from our utility bill. In FY21, the total water consumption for the Group was 1,413 m³. The water consumption for FY21 has increased by 135 m³ due mainly to the opening of Signature Reserve in FY21.

Water Consumption (Group)



Water Consumption (Individual)



* There was no water consumption at Signature Reserve in FY20. Copper has ceased operations in September 2021
 # The water consumption of The Other Roof of 755 m³ is added in FY21 for comparison purposes

With the growing concern of water scarcity and sustainability, we try to conserve water through the following water savings initiatives:



Running dishwasher at full load or the end of the day.



Adopting efficient flow rates or flush volumes.



Separating the cleaning of utensils and dishes with grease from glasses.



Repairing leaks promptly.



Placing notices within the premises to remind staff to save water.

FY22 TARGET: Due to COVID-19, we are unable to determine our water consumption at full operational capacity. As such, the management will reassess the target next year.

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS 307-1

We achieved the target of no fines or non-monetary sanctions for non-compliance with environmental laws and regulations in FY21. We aim to maintain this for FY22.

BUSINESS INTEGRITY

COMMUNICATION ON INTEGRITY AND ANTI-CORRUPTION 102-16 205-2

The Board is committed to fostering a culture of corporate compliance, ethical behaviour and good corporate governance to achieve greater transparency and to protect the interests of Shareholders.

Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of Shareholders. It will lead to sustainable business performance and engender the confidence of investors.

ANTI-CORRUPTION POLICY 205-2 205-3

We take a zero-tolerance approach to bribery and corruption and we are committed to acting professionally, fairly and with integrity in all of our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption.

The purpose of this policy is to:

- a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption
- b) provide information and guidance to those working for us on how to recognise and deal with briber and corruption issues
- c) provide information and guidance on the giving or receipt of gifts and entertainment.

The policy highlights various examples that are equivalent to corruption and guides the employees on what they must not do so that they are able to identify, deal and detect corruption.

This policy applies to all persons working for TSH or on their behalf in any capacity, including employees at all levels, directors, officers, crew, seconded workers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with them, wherever located.

The details of the anti-corruption policy are disseminated to the employees of the Group upon hiring, through email and made available on the Company' website.

Employees are required to notify the HR Department or email to whistleblow@tshcorp.com.sg as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.

We are pleased to report that there were zero confirmed incidents of corruption in FY21. We aim to maintain this for FY22.

WHISTLE-BLOWING POLICY 205-2

We have put in place a whistle-blowing policy, endorsed by the audit committee of the Company ("AC"), where employees of the Group and any other persons including members of the public may, in confidence, raise concerns about the possible corporate improprieties in matters of financial reporting or other matters.

The Company has established this policy to enable any party to raise concerns about any malpractice(s) at an early stage and in the right way.

The details of the whistle-blowing policy are disseminated to the employees of the Group upon hiring, through email and made available on the Company' website.

WHISTLE-BLOWING POLICY 205-2 - *continued*

Concerns may be raised in writing by email at whistleblow@tshcorp.com.sg to the AC Chairman, and the AC may request to carry out the investigation. All concerns raised will be independently assessed by the AC to ensure that they are fairly and properly considered.

**AIM OF THE POLICY**

- Encourage employees or any parties to feel confident in raising serious concerns and to question and act upon their concerns timely rather than waiting for concrete proof
- Encourage and provide an avenue for employees or any parties to raise concerns within the Group, rather than ignoring a problem
- Reassure employees or any parties that if they raise any concerns in good faith and reasonably believe them to be true, they will be protected from possible reprisals or victimisation
- Ensure appropriate oversight by the Board of Directors
- Protect the rights of the Group
- Promote a culture of openness, accountability and integrity



GRI INDEX: CORE OPTION 102-55

| GRI Indicator | Disclosure | Report Sections | Page Reference |
|-------------------------------|--|--|-------------------------------|
| GRI 102 : GENERAL | | | |
| Organisational Profile | | | |
| GRI 102-1 | Name of the Organisational | Cover page | - |
| GRI 102-2 | Activities, brands, products, and services | Corporate Profile Our Presence Group Structure Group Financial Highlights | 3 - 6 7 8 9 - 10 |
| GRI 102-3 | Location of headquarters | Corporate Information | 114 |
| GRI 102-4 | Location of operations | Corporate Profile Our Presence | 3 - 6 7 |
| GRI 102-5 | Ownership and legal form | Financial Statements <ul style="list-style-type: none"> Notes to the Financial Statements <ul style="list-style-type: none"> Share Capital Corporate Information Statistics of Shareholders Corporate Information | 104 75 112 - 113 114 |
| GRI 102-6 | Markets served | Corporate Profile Our Presence | 3 - 6 7 |
| GRI 102-7 | Scale of the organisation | Financial Statements <ul style="list-style-type: none"> Consolidated Statement of Comprehensive Income Statements of Financial Position Statements of Changes in Equity Consolidated Statement of Cash Flows | 70 71 72 - 73 74 |
| | | Sustainability Report <ul style="list-style-type: none"> Social - Employment | 28 |
| GRI 102-8 | Information on employees and other workers | Sustainability Report <ul style="list-style-type: none"> Social - Employment | 28 - 30 |
| GRI 102-9 | Supply chain | Sustainability Report <ul style="list-style-type: none"> About the Report - Our Supply Chain | 24 |
| GRI 102-10 | Significant changes to the organisation and its supply chain | N.A. | - |
| GRI 102-11 | Precautionary principle or approach | TSH does not specifically utilise the precautionary approach when managing risk; however, our management approach is risk-based, and is supported by our Risk Management Framework | - |
| GRI 102-12 | External initiatives | Not applicable. TSH has not subscribed to or endorsed any externally-developed economic, environmental and social charters, principles, or other initiatives. | - |
| GRI 102-13 | Membership of associations | Sustainability Report <ul style="list-style-type: none"> About the Report - Memberships & Associations | 24 |
| Strategy | | | |
| GRI 102-14 | Statement from senior decision-maker | Board Statement | 21 - 22 |
| Ethics and integrity | | | |
| GRI 102-16 | Values, principles, standards, and norms of behavior | Sustainability Report <ul style="list-style-type: none"> Business Integrity - Communication on Integrity and Anti-Corruption | 34 - 35 |
| Governance | | | |
| GRI 102-18 | Governance structure | Report of Corporate Governance Sustainability Report <ul style="list-style-type: none"> About this Report - Governance Structure | 39 - 61 23 |

GRI INDEX: CORE OPTION 102-55

| GRI Indicator | Disclosure | Report Sections | Page Reference |
|-------------------------------|--|--|----------------|
| GRI 102 : GENERAL | | | |
| Stakeholder Engagement | | | |
| GRI 102-40 | List of stakeholder groups | Sustainability Report • Sustainability Approach - Stakeholder Engagement | 25 - 26 |
| GRI 102-41 | Collective bargaining agreements | Sustainability Report • Social - Collective Bargaining Agreements | 28 |
| GRI 102-42 | Identifying and selecting stakeholders | Sustainability Report • Sustainability Approach - Stakeholder Engagement | 25 - 26 |
| GRI 102-43 | Approach to stakeholder engagement | | |
| GRI 102-44 | Key topics and concerns raised | | |
| Reporting Practice | | | |
| GRI 102-45 | Entities included in the consolidated financial statements | Sustainability Report • About this Report - Reporting Scope Financial Statements • Notes to Financial Statements - Investment in Subsidiaries | 23 98 |
| GRI 102-46 | Defining report content and topic boundaries | Sustainability Report • Sustainability Approach - Reporting Principle - Materiality Review Process | 26 - 27 |
| GRI 102-47 | List of material topics | Sustainability Report • Sustainability Approach - Materiality Review Process | 26 - 27 |
| GRI 102-48 | Restatements of information | N.A. | - |
| GRI 102-49 | Changes in reporting | N.A. | - |
| GRI 102-50 | Reporting period | Sustainability Report • Sustainability Approach - Reporting Period | 23 |
| GRI 102-51 | Date of most recent report | | |
| GRI 102-52 | Reporting cycle | | |
| GRI 102-53 | Contact point for questions regarding the report | Sustainability Report • Sustainability Approach - Feedback | 23 |
| GRI 102-54 | Claims of reporting in accordance with the GRI Standards | Sustainability Report • About this Report - Reporting Framework | 23 |
| GRI 102-55 | GRI content index | GRI Index | 36 - 38 |
| GRI 102-56 | External assurance | Sustainability Report • About this Report - Reporting Framework | 23 |

GRI INDEX: CORE OPTION 102-55

| SPECIFIC STANDARD DISCLOSURES | | | |
|---------------------------------------|---|---|--------------------------------------|
| GRI Indicator | Disclosure | Report Sections | Page Reference |
| Management Approach | | | |
| GRI 103-1 | Explanation of the material topic and its boundary | Please refer to the respective Specific Standard Disclosures GRI indicators for more information. | - |
| GRI 103-2 | The management approach and its components | | |
| GRI 103-3 | Evaluation of the management approach | | |
| Economic | | | |
| Economic Performance | | | |
| GRI 201-1 | Direct economic value generated and distributed | Business Review Financial Statements <ul style="list-style-type: none"> • Consolidated Statement of Comprehensive Income • Statements of Financial Position • Statements of Changes in Equity • Consolidated Statement of Cash Flows | 13 - 15 70 71 72 - 73 74 |
| Anti-Corruption | | | |
| GRI 205-2 | Communication and training about anti-corruption policies and procedures | Sustainability Approach <ul style="list-style-type: none"> • Business Integrity <ul style="list-style-type: none"> - Communication on Integrity and Anti-Corruption - Anti-Corruption Policy - Whistle-blowing Policy | 34 - 35 |
| GRI 205-3 | Confirmed incidents of corruption and actions taken | | |
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| GRI 302-1 | Energy consumption within the organisation | Sustainability Report <ul style="list-style-type: none"> • Environment - Energy Consumption and Actions Taken to Reduce Consumption | 32 |
| GRI 302-4 | Reduction of energy consumption | | |
| Water | | | |
| GRI 303-5 | Water consumption | Sustainability Report <ul style="list-style-type: none"> • Environment - Water Consumption | 33 |
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REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the “**Board**” or “**Directors**”) of TSH Corporation Limited (the “**Company**”) is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the “**Group**”). Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of the shareholders of the Company.

The Company has adopted the Code of Corporate Governance issued on 6 August 2018 (the “**2018 Code**”), with the aim to enhance board quality and create value for the Company by strengthening board independence and diversity and encourage better engagement between the Company and all stakeholders. The 2018 Code aims to promote high levels of corporate governance by putting forth Principles of good corporate governance and Provisions with which companies are expected to comply. The Practice Guidance complements the 2018 Code by providing guidance on the application of the Principles and Provisions and setting out best practices for companies.

This report on corporate governance summarises the Company’s practices of the 2018 Code. The Board confirms that the Company had, for the financial year ended 31 December 2021 (“**FY21**”), complied with and observed the Principles as set out in the 2018 Code, as required by Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”) and the Company will explain how its practices are consistent with the intent of the relevant Principles for any deviations of the provisions of the 2018 Code.

A. BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Group.

Provision 1.1 – Principal functions of the Board

The Board recognises that it is collectively responsible for the success of the Group by setting strategic objectives and strives to protect and enhance long-term shareholders’ value. The Directors are fiduciaries who act objectively in the best interests of the Company, and the Board works closely with the management (“**Management**”) and reviews the performance of Management. The Directors monitor Management through various mechanisms, develop organisational culture, set in place a code of conduct and ethics with appropriate tone-from-the-top through conversations in each of the meetings attended by key management personnel (“**KMP**”) and the Directors. Should any conflict of interest arise during the meeting, the particular Director is to disclose his interest and recuse from the meeting.

The Board’s principal functions include:

- (a) setting and approving broad policies, strategies and objectives of the Group;
- (b) monitoring and reviewing the performance of Management;
- (c) overseeing and evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance;
- (d) approving annual budgets, major funding, investment and divestment proposals;
- (e) assuming responsibility for the corporate governance framework of the Group as well as setting the Group’s values and standards; and
- (f) considering sustainability issues as part of its formulation of the Group’s strategic directions.

A. BOARD MATTERS - continued

Provision 1.2 – Directors’ orientation and training

All Directors know the business of the Group and understand their duties and roles as Executive, Non-Executive or Independent Directors of the Company. Each Director exercises due diligence and independent judgement, and is obliged to act in good faith and considers at all times in the best interests of the Group. The Directors attend other trainings, conferences and seminars that have a bearing on their duties and contribution to the Board, organised by professional bodies, regulatory institutions and corporations at the Company’s expense.

A formal letter will be sent to a newly-appointed Director upon his/her appointment setting out his/her duties and obligations as a director. New Directors, upon appointment, will also be briefed on the Group’s business and governance practices and to facilitate the effective discharge of their duties. Any newly-appointed Directors with no prior experience as a director of a listed company in Singapore will undergo training in the roles and responsibilities of a listed company director as prescribed by the SGX-ST in accordance to Rule 406(3) of the Catalist Rules. No new Director was appointed in FY21.

Provision 1.3 – Matters requiring Board’s approval

The Group has adopted internal guidelines governing matters that require the Board’s approval which has been clearly communicated to Management. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to the respective Board Committees and specific members of the key management.

Matters which are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets and major undertakings (other than in the ordinary course of business), approval of financial results and interested person transactions.

Provision 1.4 – Delegation by the Board

Certain functions have been delegated to various board committees, namely, the Audit Committee (the “AC”), the Nominating Committee (the “NC”) and the Remuneration Committee (the “RC”) (individually, the “Board Committee” and collectively, the “Board Committees”), which are governed by their respective terms of references. Further information regarding the functions of the respective Board Committees is set out in the later part of this report.

The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Provision 1.5 – Board meetings, attendance and multiple commitments

The Board conducts regular scheduled meetings, with Board and AC meetings held at least twice a year, and RC and NC meetings held at least once a year. During FY21, the Board conducted two (2) regular scheduled meetings. Ad-hoc meetings are convened as and when circumstances require. The Company’s constitution (“Constitution”) allows Board and Board Committee meetings to be conducted by way of teleconferencing, provided that the requisite quorum of at least two (2) Directors are present. Minutes of all Board meetings and Board Committee meetings are circulated for review and confirmation, enabling the respective members to keep abreast of the matters discussed at such meetings. Directors also made decisions by passing resolutions in writing as if it had been passed at the Directors’ meeting.

A. BOARD MATTERS - continued

Provision 1.5 – Board meetings, attendance and multiple commitments - continued

The number of Board meetings and Board Committee meetings held in FY21 and the attendance of each Board member at those meetings are as follows:

| Directors | Board | | Audit Committee | | Remuneration Committee | | Nominating Committee | |
|------------------|-----------------------|--------------------------|-----------------------|--------------------------|------------------------|--------------------------|-----------------------|--------------------------|
| | #No. of meetings held | No. of meetings attended | #No. of meetings held | No. of meetings attended | #No. of meetings held | No. of meetings attended | #No. of meetings held | No. of meetings attended |
| Dr Yu Lai Boon | 2 | 2 | 3 | 3 | 1 | 1 | 1 | 1 |
| Mr Chua Khoo Hui | 2 | 2 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Mr Tan Dah Ching | 2 | 2 | 3 | 3 | 1 | 1 | 1 | 1 |
| Mr Teo Kok Woon | 2 | 1 | 3 | 2 | 1 | 1 | 1 | 1 |

N.A.: Not Applicable

No. of meetings held whilst a member.

All Directors update and declare their board appointments to the Board and the Company Secretary. When a Director has multiple board representations, the NC will consider whether the Director is able to and has adequately carried out his/her duties as a Director of the Company, taking into consideration the Director’s number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding multiple board appointments, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company. Please refer to “Board of Directors” section for further disclosure in relation to multiple board representations.

Provision 1.6 – Access to information

The Board receives management accounts on a half-yearly basis, as well as relevant background information and documents relating to items of businesses to be discussed at Board or Board Committee meetings before the scheduled meeting. These management accounts present a balanced and understandable assessment of the Group’s performance, position and prospects on a half-yearly basis, which has been assessed by the Board to be sufficient. The Board was provided with timely, adequate and complete information, which enable Directors to engage in meaningful discussions for decision-making in the best interests of the Company. The Chief Executive Officer (“CEO”) provided the Board with business updates from time to time. For other matters where the Board is required to make decisions, Directors received sufficient background and explanatory information on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered. Any additional materials or information requested by the Directors are promptly furnished.

The Board takes adequate steps to ensure compliance with legislative and regulatory requirements.

Provision 1.7 – Access to Management, Company Secretary and External Advisers

The Directors have separate and independent access to the Company Secretary and Management. The Company Secretary attends all Board and Board Committee meetings. The Company Secretary is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

The Company Secretary and/or their representatives are required to attend all Board and Board Committee meetings and assists the Board and the Board Committees in ensuring that the respective procedures are followed and the applicable rules and regulations are complied with.

A. BOARD MATTERS - *continued*

Provision 1.7 – Access to Management, Company Secretary and External Advisers - *continued*

Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows with the Board and its Board committees and between Management and Independent and Non-Executive Directors, advising the Board on all governance matters as well as facilitating orientation and assisting with professional development as required.

The appointment and removal of the Company Secretary are subject to the Board's approval as a whole.

The Board as a whole is updated on risk management and the key changes in the relevant regulatory requirements and accounting standards. In FY21, the Directors were provided with updates on changes in the relevant laws, regulations and Singapore Financial Reporting Standards (International) by the external auditors, Sponsor and the Company Secretary. The Board (whether individually or as a group) has, in the furtherance of its duties, separate and independent access to external advisers for independent professional advice, if necessary, at the Company's expense.

All Directors are provided with regular updates on changes in the relevant laws, regulations and commercial risks, to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1 – Board Independence

There is a strong and independent element on the Board with Independent Directors making up half of the Board composition. The Non-Executive Directors make up a majority of the Board. As the Chairman of the Board is independent, Provision 2.2 requiring Independent Directors to make up a majority of the Board does not apply to the Company. The Group is in compliance with the Catalist Rules, which require the Independent Directors to make up at least one-third of the Board effective on 1 January 2022, and the 2018 Code with at least one-third of the Board consisting of Independent Directors, and Non-Executive Directors making up majority of the Board.

The NC is of the opinion that the Board is able to exercise objective judgement on corporate affairs independently and no individual or small group of individuals dominate the Board's decision making process.

In assessing and reviewing the independence of the Independent Directors, the NC adopts the 2018 Code's definition of an "independent director" and are satisfied that the Independent Directors do not have any relationships with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Directors' independent judgment.

The Board had also reviewed the independence of the Independent Directors based on Rule 406(3)(d) of the Catalist Rules which sets out the specific circumstances in which a Director should be deemed non-independent. These circumstances include:

- (a) a Director is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years;

A. BOARD MATTERS - continued

Provision 2.1 – Board Independence - continued

- (b) a Director has an immediate family member who is, or has been employed by the Company or any of its related corporation in the current or any of the past three financial years, and whose remuneration is or was determined by the RC; or
- (c) with effect from 1 January 2022, a Director who has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an Independent Director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the CEO of the Company, and associates of such directors and CEO.

Each of the Independent Directors has confirmed that they and their respective associates do not have any relationships with the Group as stipulated above.

In addition to the above, the items the NC and Board also consider while reviewing the independence of the Independent Directors are:

1. Whether a Director, or a Director whose immediate family member, in the current or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service. Payments aggregated over any financial year in excess of S\$50,000 should generally be deemed significant.
2. Whether a Director, or a Director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). Payments aggregated over any financial year in excess of S\$200,000 is deemed significant whether they constitute a significant portion of the revenue of the organisation in question.
3. Whether a Director who is, or has been directly associated with, a substantial shareholder of the Company, in the current or immediate past financial year. Taking into consideration the above factors, the NC had reviewed the declaration of independence of each Independent Director for FY21 and was satisfied that all Independent Directors are considered independent for the purpose of Provision 2.1 of the 2018 Code and Rule 406(3)(d) of the Catalist Rules. The Board concurred with the aforementioned independence review of the NC.

Provision 2.2 - Majority Independent Directors where Chairman is not independent

Provision 2.3 - Majority Non-Executive Directors in a Board

Provision 2.4 - Board composition and diversity

The Board comprises four (4) Directors as follows:

| | |
|-------------------|---|
| Dr Yu Lai Boon | (Non-Executive Chairman and Independent Director) |
| Mr Chua Khoon Hui | (CEO and Executive Director) |
| Mr Tan Dah Ching | (Non-Executive Independent Director) |
| Mr Teo Kok Woon | (Non-Executive Non-Independent Director) |

A. BOARD MATTERS - continued

Provision 2.2 - Majority Independent Directors where Chairman is not independent - continued

Provision 2.3 - Majority Non-Executive Directors in a Board - continued

Provision 2.4 - Board composition and diversity - continued

As the Chairman is independent, Provision 2.2 would not apply to the Company. Nonetheless, the Company has a majority of Non-Executive Directors on the Board, which complies with Provision 2.3.

The current size of the Board is appropriate to facilitate effective decision making. The Board is of the opinion that the current Board size of four (4) Directors is appropriate and provides sufficient diversity of expertise and knowledge in leading and governing the Group effectively. The Board will continue to review the size of the Board on an ongoing basis. As a team, the Board collectively provides core competencies in the areas of finance and business.

The Board has always placed diversity as an agenda in strengthening the performance of the Board and its Board Committees. The Company's board diversity policy provides a framework to promote diversity in the Board with the objective to utilise diversity practices through the effective blend of competencies and extensive experiences of the Directors who are prepared to navigate diverse cultures, geographies and markets to make decisions in the best interests of the Group. The Board and NC would consider which aspect of diversity to focus on in 2022. The NC will also consider the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors, as and when appropriate.

Provision 2.5 – Meeting of Non-Executive Directors without Management

The Non-Executive Directors constructively challenge and assist in the development of proposals on strategy, review the performance of Management on a regular basis. The Non-Executive Directors, led by the independent Chairman, meet regularly without Management's presence in order to facilitate a more effective check on Management, and provides feedback to the Board as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 – Separation of the role of the Chairman and the CEO

Provision 3.2 – Role of the Chairman and the CEO

Dr Yu Lai Boon ("Dr Yu") is currently the Independent Director and the Non-Executive Chairman of the Board while Mr Chua Khoon Hui ("Mr Chua") is the CEO and Executive Director. The Chairman and the CEO have defined responsibilities which ensure that there is an appropriate balance of power and increased accountability and greater capacity of the Board, in terms of independent decision making. The Chairman is responsible for the effective functioning of the Board, while the CEO is responsible for the operations and management of the Group's businesses.

The Chairman's duties and responsibilities include:

- (i) leading the Board to ensure its effectiveness on all aspects of its role;
- (ii) setting the agenda and ensuring that adequate time is available for discussion of all agenda items;
- (iii) promoting a culture of openness and debate at the Board;
- (iv) exercising control over the quality, quantity and timeliness of the flow of information between Management and the Board;
- (v) ensuring effective communication with shareholders;
- (vi) encouraging constructive relations within the Board and between the Board and Management;
- (vii) facilitating the effective contribution of Non-Executive Directors;
- (viii) promoting high standards of corporate governance.

A. BOARD MATTERS - continued

Provision 3.1 – Separation of the role of the Chairman and the CEO - continued

Provision 3.2 – Role of the Chairman and the CEO - continued

In addition to the above duties, the Chairman will assume other duties and responsibilities as may be required from time to time.

The CEO is responsible for formulating corporate strategies for the Company and the Group as well as being in-charge of the day-to-day management, ensuring that its operations run smoothly and overseeing the business development activities, sales and marketing and procurement and supply functions of the Group. All major proposals and decisions made by the CEO are discussed and reviewed by the Board. His performance and appointment to the Board is reviewed periodically by the NC and his remuneration is reviewed periodically by the RC. As the AC, NC and RC consist of mainly Independent Directors, the Board believes that there is a sufficiently strong independent element on the Board and adequate safeguards are in place to check against an uneven concentration of power and authority in a single individual.

Provision 3.3 – Lead Independent Director

The Chairman is independent with each Board Committee chaired and led by Independent Directors. There is a balance of power in the Board with the Chairman being independent and each Board Committee chaired and led by an Independent Director. As there is separation in the roles of the Chairman and CEO to preserve effective corporate governance, the appointment of a Lead Independent Director as set out in Principle 3.3 of the 2018 Code is not necessary. Independent Directors meet regularly without the presence of other Directors. Independent Directors are available to shareholders where they have concerns and for which contact through the normal channels of communication with Management is inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2 – Roles and composition of the NC

Recommendation for nominations of new Directors and retirement of Directors are made by the NC and considered by the Board as a whole.

As at the date of this report, the NC comprises the following members, majority of whom including the Chairman of the NC are Independent Directors:

| | |
|--|------------|
| Mr Tan Dah Ching (Independent Director) | (Chairman) |
| Mr Teo Kok Woon (Non-Independent Director) | (Member) |
| Dr Yu Lai Boon (Independent Director) | (Member) |

The key terms of reference of the NC are summarised as follows:

- (a) Reviews and makes recommendations to the Board on all Board appointments and re-appointments of Directors;
- (b) Reviews of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and Management;
- (c) Reviews the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary;

A. BOARD MATTERS - *continued*

Provision 4.1 and 4.2 – Roles and composition of the NC - *continued*

- (d) Determines the independence of the Board and considers the continued independence of any Directors reaching 9 years from date of appointment;
- (e) Recommends the process and criteria to assess the effectiveness and performance of the Board, its Board Committees and contribution of each Director; and
- (f) Reviews training and professional development programmes for the Board.

During FY21, the NC performed the aforementioned activities.

Provision 4.3 – Board Renewal

The NC will review succession plans annually to ensure continuity of leadership. For new appointments to the Board, the NC will consider the current size, composition and diversity of the Board, and decide if the candidate's background, expertise and knowledge will complement the skills and competencies of the existing Board. The candidate must be a person of integrity and able to commit sufficient time and attention to the affairs of the Group, especially if he has multiple Board representations and/or principal commitments.

If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director, the NC, in consultation with the Board, will determine the selection criteria taking into consideration the aforementioned and select the appropriate candidate for the position.

In its search and nomination process for new Director, other than through a formal search process via external search consultants, if required, the NC will also tap on to the resources of the Directors' personal contacts and their recommendations for potential candidates. The NC will shortlist and interview potential candidates with the appropriate profile to assess his/her suitability before nominating the most suitable candidate to the Board for approval and appointment as a Director.

Provision 4.4 – Independence review of Directors

Based on Rule 720(4) of the Catalist Rules, a listed issuer must have all Directors submit themselves for re-nomination and re-appointment at least once every three years. In accordance with the Constitution, one-third of the Directors shall retire from office at every annual general meeting of the Company ("**AGM**") and a retiring Director shall be eligible for re-election at the said AGM. All Directors shall retire from office at least once every three (3) years. Newly appointed Directors are required to submit themselves for re-nomination and re-election at the next AGM following their appointment. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director.

At the forthcoming AGM, Mr Teo Kok Woon ("**Mr Teo**") and Mr Tan Dah Ching ("**Mr Tan**") will be retiring pursuant to Regulation 107 of the Constitution. Mr Teo and Mr Tan, being eligible for re-election, have each offered himself for re-election. Please refer to the disclosure of information on directors seeking re-election at the AGM found after the Notice of AGM.

The NC had recommended to the Board that Mr Teo and Mr Tan be nominated for re-appointment at the forthcoming AGM. In making their recommendations, the NC evaluated contributions of Mr Teo and Mr Tan to the Group and their performance in the Board and Board Committees, where applicable, their participations, candour and special contributions. Further details of Mr Teo and Mr Tan can be found in the "Board of Directors" section of the annual report.

A. BOARD MATTERS - *continued*

Provision 4.4 – Independence review of Directors - *continued*

The NC is responsible for determining annually, or as and when circumstances require, whether a Director is independent, with reference to the guidelines set out in the 2018 Code and the Catalist Rules. Further details on the NC's assessment in respect of the independence of the Independent Directors have been set out under Principle 2 of this Report above. Each NC member does not take part in determining his own re-nomination or independence. Each Director is required to submit a return of independence to the Company Secretary as to his/her independence, who in turn submits the returns to the NC. The NC reviews the returns and determines the independence of each of the Directors and makes its recommendation to the Board. An Independent Director shall notify the NC immediately if, as a result of a change in circumstances, he/she no longer meets the criteria for independence. The NC shall review the change in circumstances, and make its recommendation to the Board.

The NC has assessed the independence of the Independent Directors, namely Dr Yu and Mr Tan based on the criteria of independence defined in the 2018 Code and Rule 406(3)(d) of the Catalist Rules. The NC is satisfied that there are no relationships or circumstances which were likely to interfere, or could appear to interfere with the independent business judgement of Dr Yu and Mr Tan with a view to the best interests of the Group or which would deem him not to be independent. Dr Yu and Mr Tan had abstained from deliberations in respect of assessment of his own independence.

Particular attention is given to review and assess the independence of any director as at FY21 who reaches 9 years tenure from the date of appointment.

With effect from 1 January 2022, a director will not be independent if he has served for an aggregate of more than 9 years and his continued appointment as an Independent Director has to be sought and approved in separate resolutions by (a) all shareholders and (b) shareholders, excluding the Directors and CEO of the issuer, and associates of such Directors and CEO (the **"Two-Tier Vote"**). Such resolutions approved by a Two-Tier Vote may remain in force for three years from the conclusion of the AGM following the passing of the resolutions or the retirement or resignation of the Director, whichever is earlier. In this connection, the NC has recommended Mr Tan for continued appointment as Independent Director of the Company at the forthcoming AGM.

The NC (with Mr Tan abstaining from deliberation) had proposed the continued appointment of Mr Tan as an Independent Director for purpose of Rule 406(3)(d)(iii) of the Catalist Rules. Mr Tan has proven commitment, experience and knowledge of the Company's business which helps to facilitate sound decision-making. The Company continues to benefit from his active participation and contribution to the Board and Board committee deliberations.

The Board has conducted a review of the performance of Mr Tan based on a set of criteria. The Board had rigorously reviewed and agreed that the Mr Tan had participated, deliberated and expressed his views independently at all times, presenting objective and constructive challenges to the assumptions and viewpoints by Management. The Board has benefited from valuable insight from the presence of Mr Tan who has over time gained valuable insight into the Group and its markets. The Board considered that Mr Tan brings invaluable expertise, experience and knowledge to the Board. Mr Tan is familiar with the business and will continue to contribute positively to the deliberation of the Board and Board Committees. The independence of character and judgement of Mr Tan was not in any way affected or impaired by the length of service. The Board has determined that Mr Tan remained independent of character and judgement. His length of service does not in any way hinder his ability to act in the best interests of the Company. The Board is satisfied that Mr Tan can continue to discharge his duties objectively. Mr Tan was not involved in the deliberation in respect of his independence.

A. BOARD MATTERS - *continued*

Provision 4.4 – Independence review of Directors - *continued*

The Board concurred with the NC's recommendation and sought shareholders' approval for continued appointment of Mr Tan as Independent Non-Executive Director through a Two-Tier Vote at the forthcoming AGM for purposes of Rule 406(3)(d)(iii) of the Catalist Rules.

In reviewing the continued appointment, the Board has considered the current business environment, and imperative to have Directors who understand the business to be able to interact and work with Management continually through robust exchange of ideas and views presenting constructive feedback. This would facilitate strategic dialogues and decision-making for generating long-term values to various stakeholders.

Provision 4.5 - Duties and obligations of Directors

The NC ensures that all newly-appointed Directors are aware of their duties and obligations. Although some of the Non-Executive Directors hold multiple directorships in other companies or principal commitments, the Board is of the view that such multiple board representations or principal commitments do not hinder them from carrying out their duties as Directors of the Company. The NC has determined that the maximum number of listed company board representations and principal commitments which any Director of the Company may hold should not be more than four (4). As at the date of this Report, the number of listed company directorships and principal commitments held by the Directors is within the maximum limit, except for Mr Teo who is a Non-Independent Director of the Company.

The NC, together with the Board, is satisfied that the Directors have discharged their duties diligently, given that sufficient time, attention, resources and expertise have been given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations as well as any other principal commitments. These Directors would widen the experience of the Board and give it a broader perspective.

Please refer to the "Board of Directors" section of the annual report for the profile of the Directors, including the listed company directorships and principal commitments of each Director. The shareholdings of the individual Directors of the Company are set out in the Directors' Statement of the annual report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Provisions 5.1 and 5.2 – Board Evaluation Process

A formal assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director to the effectiveness of the Board is conducted annually by having the Directors complete a questionnaire. The process and criteria set out in such questionnaire is recommended by the NC and approved by the Board. The findings are analysed and discussed with a view to implement certain recommendations to further enhance the effectiveness of the Board.

For FY21, the NC, in assessing the contribution of each Director, had considered the attendance and participation at Board and Board Committee meetings, the qualifications, experience, expertise, the time and effort dedicated to the Group's business and affairs, including Management's access to the Directors for guidance or exchange of views as and when necessary.

Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

A. BOARD MATTERS - continued

Provisions 5.1 and 5.2 – Board Evaluation Process - continued

In assessing the effectiveness of the Board and Board Committees, the criteria including the size, composition, processes of the Board and Board Committees, Board's and Board Committees' access to information, strategic planning and accountability were taken into consideration.

The NC is of the opinion that the above performance evaluation criteria are currently adequate. The NC has assessed the performance of the Board and each individual director for FY21 and is of the view that the performance of the Board as a whole and each individual Director was satisfactory and able to continue to contribute effectively and demonstrate commitment to the appointed role.

There was no change in the process of evaluation in FY21.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, Board Committees and each individual Director for FY21. Where relevant, the NC will consider such an engagement.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2 – Composition of the RC

As at the date of this report, the members of the RC comprise the following Non-Executive Directors, majority of whom including the Chairman are independent:

| | |
|--|------------|
| Dr Yu Lai Boon (Independent Director) | (Chairman) |
| Mr Tan Dah Ching (Independent Director) | (Member) |
| Mr Teo Kok Woon (Non-Independent Director) | (Member) |

The Chairman of the RC, Dr Yu, has a good working knowledge of human resource and executive compensation from his many years of general management experience.

The functions of the RC contained in its written terms of reference include, among others,

- (a) the review of a framework of remuneration and implementation of formal and transparent processes by which the remuneration packages of all the Executive Directors (in the form of service agreements) and at least the KMP (in terms of aggregate remuneration) for recommendation to the Board;
- (b) the review and recommendation to the Board on specific remuneration packages for each Director and KMP; and
- (c) to consider long-term incentives schemes for Executive Directors and KMP and review their eligibility for benefits under the schemes.

In FY21, the RC has duly performed the aforementioned activities.

B. REMUNERATION MATTERS - *continued*Provision 6.3 – Remuneration framework

In their review, the RC considers all aspects of remuneration, including termination terms, to ensure they are fair. The RC also reviewed the remuneration packages of employees who are immediate family members of a Director, CEO or substantial shareholder.

No RC member or any Director is involved in deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to himself, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

Directors' fees are recommended by the RC and submitted for endorsement by the Board. Directors' fees are subject to approval by shareholders at the AGM.

Provision 6.4 – Remuneration consultant

No remuneration consultants were engaged by the Company in FY21.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 and 7.3 – Remuneration of Executive Directors and KMPs

In setting the remuneration packages of the Executive Director and KMP, the RC ensures that remuneration packages of the Executive Director and KMP are comparable within the industry as well as with similar companies. Accordingly, a significant and appropriate proportion of the remuneration packages of the Executive Director and KMP is structured to link rewards to corporate and individual performance, whereby the performance-related remuneration is aligned with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The RC considers the Group's relative performance, the contributions and responsibilities of the individual Executive Director and KMP in its review and recommendation of their remuneration. The RC also takes into consideration the criteria such as leadership, people development, commitment and teamwork in assessing the individual's performance.

The Company entered into a service agreement (the "**Service Agreement**") with Mr Chua, CEO and Executive Director of the Company. The Service Agreement took effect on 7 February 2019 and shall continue for an initial period of three (3) years and upon the expiry of such period, the employment of Mr Chua shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. Mr Chua's employment was automatically renewed in February 2022. The remuneration of Mr Chua includes, among others, a fixed salary and a variable performance bonus at the discretion of the RC, taking into account his performance as well as the performance of the Group, and there are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of Mr Chua.

The remuneration package of the KMP comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance.

B. REMUNERATION MATTERS - continuedProvision 7.2 – Remuneration of Non-Executive Directors

The Non-Executive Directors (including Independent Directors) do not have any service agreements with the Company. Independent Directors are paid a basic fee for sitting on any of the Board Committees and an additional fee to reflect their added responsibility as Chairman of the respective Board Committees, where applicable. Save for the Directors' fees, which have to be approved by the shareholders at every AGM, the Non-Executive Directors do not receive any remuneration from the Group. The remuneration of the Non-Executive Directors is appropriate, having taken into consideration the level of contribution, as well as effort, time spent and responsibilities of the Non-Executive Directors.

Provision 7.3 – Long Term incentives

The NC is of the view that the current remuneration framework as discussed in Provisions 7.1, 7.2 and 7.3 is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and KMP to successfully manage the Group for the long term.

The Group has no share-based compensation scheme or any long-term scheme involving the offer of shares or option in place.

The Group does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from the Executive Director and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties. The RC would review such contractual provision as and when necessary.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 – Disclosure of remuneration

The 2018 Code recommends that companies fully disclose the name and remuneration of each Director and the CEO. The Board is of the opinion that it is not in the best interests of the Company to disclose the Directors' remuneration in dollar terms for commercial sensitivity reasons, and that the current disclosure on a named basis and in bands of S\$250,000 including the provision of a breakdown in percentage terms is sufficient.

B. REMUNERATION MATTERS - *continued*Provision 8.1 – Disclosure of remuneration - *continued*

A breakdown of the level and mix of remuneration paid/payable to each Director in remuneration bands of S\$250,000 for FY21 are as follows:

(a) Directors

| <i>Remuneration band and Name of Director and CEO</i> | Fee | Salary | Bonus | Other Benefits | Total |
|---|------------------|--------|-------|----------------|-------|
| | % | % | % | % | % |
| S\$250,001 to S\$500,000 | | | | | |
| Chua Khoon Hui | — | 100 | — | — | 100 |
| Below S\$250,000 | | | | | |
| Dr Yu Lai Boon | 100 ¹ | — | — | — | 100 |
| Tan Dah Ching | 100 ¹ | — | — | — | 100 |
| Teo Kok Woon | — | — | — | — | — |

Note:

¹ The fee is subject to approval by shareholders at the forthcoming AGM.

There are no termination, retirement and post-employment benefits that may be granted to the Directors.

(b) Key Management Personnel

The 2018 Code recommends the Company to name and disclose the remuneration of at least the top five (5) KMP, who are not directors or CEO of the Company. For FY21, the Company had one (1) KMP (who is not a director or CEO of the Company).

A breakdown showing the remuneration level and mix of the Company's KMP (who is not a director or CEO of the Company) is as follows:

| <i>Remuneration band and Name of Key Management Personnel</i> | Fee | Salary | Bonus | Other Benefits | Total |
|---|-----|--------|-------|----------------|-------|
| | % | % | % | % | % |
| Below S\$250,000 | | | | | |
| Ng Kim Chew | — | 100 | — | — | 100 |

There are no termination, retirement and post-employment benefits that may be granted to the KMP.

As the Company only has one (1) KMP who is not a Director or the CEO, it is not in the best interests of the Company to disclose the aggregate remuneration paid to the KMP.

B. REMUNERATION MATTERS - continuedProvision 8.2 – Remuneration of related employees

Ms Ng Pei Wah, Director, Operations of the Group, is the spouse of Mr Chua, CEO and Executive Director. Her remuneration for FY21 is in the band of S\$100,001 to S\$150,000. The remuneration of such employees will be reviewed annually by the RC and Board to ensure that their remuneration packages is in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of the RC and Board.

Save as disclosed above, there are no other employees who are substantial shareholders of the Company, or are immediate family members of a Director or the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the financial year.

Provision 8.3 – Forms of remuneration and details of employee share schemes

Details pertaining to the form of remuneration and other payments and benefits of Directors and KMPs are disclosed under Provisions 8.1 and 8.2 above. The Company currently does not have any employee share scheme in place.

C. ACCOUNTABILITY AND AUDIT**Risk Management and Internal Controls**

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders

Provision 9.1 – Nature and extent of risks

The Board as a whole undertakes the oversight responsibilities for risk governance of the Group and determines the nature and extent of risks which the Company is willing to take in achieving its strategic objectives and value creation. Based on the Group's business and operations, the Board agreed that a separate Board Risk Committee will not be effective to preserve corporate governance. However, the Board regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Company's outsourced internal auditors were tasked to review key internal controls and highlight any significant matters to the AC and the Board.

Provision 9.2 – Assurance from the CEO, Group CFO and KMPs

For the financial year under review, the CEO and Group Chief Financial Officer ("CFO") have provided assurance to the Board:

- (i) That the financial records have been properly maintained and the consolidated financial statements of the Group give a true and fair view of the Group's operations and finances, and
- (ii) Regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

The Board and the AC will continue to review such risk management and internal control systems at least on an annual basis.

C. ACCOUNTABILITY AND AUDIT - continued

Provision 9.2 – Assurance from the CEO, Group CFO and KMPs - continued

With the concurrence of the AC, the Board is of the opinion that the system of internal controls and risk management processes throughout the financial year are adequate for the Group. The AC constantly reviews the effectiveness and adequacy of internal controls and the risk management processes adopted by the Group. The Board, with the concurrence of the AC, is satisfied that the Group has a robust internal control system (including financial, operational, compliance and information technology) and risk management which is adequate and effective as at the date of this report to meet the needs of the Group in its current business environment.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1, 10.2 and 10.3 – Composition of the AC

Provision 10.4 – Internal audit function

Provision 10.5 – AC activities during the year

The AC comprises three (3) Non-Executive Directors, majority of whom including the Chairman are independent. Majority of the AC possess recent and relevant accounting experience and/or related financial management expertise. The members of the AC as at the date of this report are as follows:-

| | |
|--|------------|
| Dr Yu Lai Boon (Independent Director) | (Chairman) |
| Mr Tan Dah Ching (Independent Director) | (Member) |
| Mr Teo Kok Woon (Non-Independent Director) | (Member) |

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of, Management and full discretion to invite any Director or Management to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly. The AC also does not comprise former partners or Directors of the Company's external auditors, Ernst & Young LLP ("EY").

The responsibilities of the AC contained in its written terms of reference include:

- (a) reviewing the half-year and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, and compliance with accounting standards, the Catalist Rules and any other relevant statutory or regulatory requirements;
- (b) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the consolidated financial statements of the Group and any announcements relating to the Group's financial performance;
- (c) reviewing the independence, scope, results and the adequacy and effectiveness of the external audit and internal audit functions, and to evaluate, with the assistance of internal auditors, the adequacy and effectiveness of the Group's internal controls and risk management systems;

C. ACCOUNTABILITY AND AUDIT - *continued*

Provisions 10.1, 10.2 and 10.3 – Composition of the AC - *continued*

Provision 10.4 – Internal audit function - *continued*

Provision 10.5 – AC activities during the year - *continued*

- (d) reviewing the assurance from the CEO and the Group CFO on the financial records and financial statements;
- (e) reviewing the cost effectiveness of the external audit and, where the external auditors provide a substantial volume of non-audit services to the Company and/or the Group, to review the nature, extent and costs of such services so as to avoid an erosion of the independence and objectivity of the external auditors;
- (f) recommending to the Board the nomination for appointment, re-appointment and removal of the external auditors and the terms of engagement and their level of audit fee;
- (g) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and
- (h) reviewing the interested person transactions, and improper activities of the Group, if any.

In FY21 the AC met three (3) times. Details of the members' attendance at AC meetings in FY21 are provided under Principle 1 of this report.

The Company has put in place a whistle-blowing policy, endorsed by the AC, where employees of the Group and any other persons including members of the public may, in confidence, raise concerns about the possible corporate improprieties in matters of financial reporting or other matters. Details of the whistle-blowing policy are disseminated to the employees of the Group, and is available on the Company's website. Employees and any other persons including members of the public may direct their concerns directly to the AC Chairman at email address whistleblow@tshcorp.com.sg. The AC's objectives are to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. The AC is responsible for oversight and monitoring of whistleblowing and report to the Board. Safeguards are in place in the whistleblowing policy to allow whistleblowing reports be made in good faith and identity of the whistleblower kept confidential.

The AC performed the following functions in FY21:

(a) External Auditors

The AC reviewed together with the external auditors:

- (i) the audit plan (including, among others, the nature and scope of the audit before the commencement of audit and the risk management issues of the Group);
- (ii) the consideration of financial controls in areas which could have a material impact on the financial statements;
- (iii) the audit report;
- (iv) the assistance given to them; and
- (v) the financial statements of the Group.

C. ACCOUNTABILITY AND AUDIT - *continued*

Provisions 10.1, 10.2 and 10.3 – Composition of the AC - *continued*

Provision 10.4 – Internal audit function - *continued*

Provision 10.5 – AC activities during the year - *continued*

The AC is kept abreast by the external auditors of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group's business and financial statements. Where the external auditors raise any significant issues (e.g. adjustments) which has a material impact on the interim financial statements or financial updates previously announced by the Company, the AC will bring this to the Board's attention, and the Board will then consider whether an immediate announcement under Rule 703 of the Catalist Rules is required. The AC will also advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates. In the report to the AC in relation to the FY21 audit results presented by the external auditors, there was no significant issue which has a material impact to the financial results of the Group raised by the external auditors except for the Key Audit Matters (the "KAM") which had been included in the Auditor's Report for FY21 in the "Financial Statements" section of the annual report.

The AC deliberated the KAM presented by EY together with Management. The AC reviewed the KAM and concurred with EY and Management on their assessment, judgements and estimates on the significant matters reported by EY as set out under the Independent Auditor's Report of the annual report.

The AC considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with Management and the external auditors have been included as the KAM in the audit report for FY21. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of the estimates and key assumptions used. The AC concluded that Management's accounting treatment and estimates in the KAM were appropriate.

The AC constantly bears in mind the need to maintain a balance between independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money considerations. The aggregate amount of fees payable to the external auditors for audit and non-audit services for the financial period from 1 January 2021 to 31 December 2021 amounted to S\$104,130 and S\$3,500 respectively.

The AC conducted a review of the nature and extent of non-audit services provided by the external auditors to satisfy itself that such services do not prejudice the independence and objectivity of the external auditors before confirming their re-nomination.

The AC, having reviewed all non-audit services provided by the external auditors to the Company, is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

The AC shall continue to monitor the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors. For FY21, the AC also received the Audit Quality Indicators as presented by the external auditors. The AC gives its recommendations to the Board and the Company regarding the appointment, re-appointment or removal of the external auditors. The AC is satisfied that the Company's external auditors are able to meet the audit requirements and statutory obligation of the Group. The AC has recommended to the Board the re-appointment of EY as the Company's external auditors at the forthcoming AGM.

The AC is satisfied that the Company is in compliance with Rules 712 and 715 of the Catalist Rules.

(b) Review of financial statements

For FY21, the AC reviewed the half-year and full year financial statements of the Group, including announcements relating thereto, to shareholders and the SGX-ST.

C. ACCOUNTABILITY AND AUDIT - *continued*

Provisions 10.1, 10.2 and 10.3 – Composition of the AC - *continued*

Provision 10.4 – Internal audit function - *continued*

Provision 10.5 – AC activities during the year - *continued*

(c) Review of interested person transactions and material contracts

The Company monitors all its interested person transactions and ensures that all transactions with interested persons are reported in a timely manner for review by the AC.

There was no interested party transaction entered into with value more than S\$100,000 in FY21. The Company does not have a general mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

The Group monitors all its interested person transactions and ensures that all transactions with interested persons are reported in a timely manner for review by the AC and that the transactions are conducted on an arms' length basis.

(d) Internal auditors

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Group's assets. The system of internal controls provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

The Company outsources its internal audit function to Foo Kon Tan Advisory Services Pte Ltd. The internal audit was led by a Partner who holds the Certified Internal Auditor qualification from the Institute of Internal Auditors and has over 17 years of internal audit and risk advisory experience. The primary reporting line of the internal auditors is to the AC and the AC decides on the appointment, evaluation, termination and remuneration of the internal auditors. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The AC has reviewed and confirmed that Foo Kon Tan Advisory Services Pte Ltd is a suitable professional service firm to meet the Group's internal audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned engagement director, number and experience of supervisory and professional staff assigned to internal audits. The internal auditors are guided by the International Standards for the Professional Practice of Internal Auditing ("**IIA Standards**") issued by the Institute of Internal Auditors.

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the internal auditors to perform its function.

The internal auditors completed the enterprise risk assessment during FY21 in accordance with the internal audit plan approved by the AC. The Board has adopted the recommendations of the internal auditors set out in the risk assessment report.

The AC is satisfied that the internal audit function is independent, effective and adequately resourced (being outsourced to a reputable professional service firm). Hence, it has appropriate standing within the Group.

During FY21, the AC met once with internal and external auditors without the presence of Management. The AC will meet with them at least once annually.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2, 11.3 and 11.4 - Conduct of general meetings

Shareholders are encouraged to attend the general meetings of the Company to participate effectively in and vote at such general meetings, to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Shareholders are also informed of the rules and voting procedures governing such meetings. Notice of the AGM is despatched to shareholders, together with explanatory notes or a circular (if necessary), at least fourteen (14) calendar days or twenty-one (21) calendar days (as the case may be) before the meeting. All Directors attend general meetings of shareholders. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings of the Company. The Chairman of the AC, RC and NC will be available at the meeting to respond to those questions relating to the functions of the Board Committees. The external auditors will also be present to address shareholders' queries on the conduct of audit and the preparation and content of the auditor's report.

The Company ensures that there are separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

To enhance shareholder participation and in adherence of the Catalist Rules, resolutions put forth at the forthcoming AGM and at all future general meetings will be voted by poll. Voting results of all votes cast for and against each resolution and the respective percentages will be announced via SGXNet.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" under Section 181(1C) of the Companies Act 1967 of Singapore, to attend and participate in general meetings without being constrained by the two (2)-proxy requirement. Relevant intermediary includes the provision of nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors. As a result, the relevant intermediaries are entitled to appoint more than two (2) proxies to attend, speak and vote at the Company's forthcoming annual general meetings. As the authentication of shareholders' identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means as required by Provision 11.4 of the 2018 Code. The Board will review its Constitution from time to time. Where amendment to its Constitution is required to align the relevant provisions with the requirements of the Catalist Rules, shareholders' approval will be obtained.

The AGM of the Company held in respect of FY20 was convened and held by electronic means on 28 April 2021 pursuant to COVID-19 (Temporary Measure)(Alternative Arrangements for meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Alternative Arrangements"). Due to COVID-19 restriction orders, there was no physical attendance at the AGM which was conducted by electronic means. Shareholders watched the AGM proceedings through live webcast or live audio stream by pre-registration. Shareholder could not vote at the AGM held by electronic means and appointed the Chairman of the AGM as proxy to vote on their behalf. As shareholders could not ask questions at the AGM conducted by electronic means, shareholders were given the opportunity to submit questions in advance prior to the AGM, but no questions were submitted.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT - *continued*Provisions 11.1, 11.2, 11.3 and 11.4 - Conduct of general meetings - continued

By the same token, the Company anticipates that the forthcoming AGM of the Company to be held in respect of FY21 will be convened and held by electronic means pursuant to COVID-19 Alternative Arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at or prior to the AGM, publishing of the minutes of AGM within one month from the AGM and voting by appointing the Chairman of the AGM as proxy, will be put in place for the forthcoming AGM of the Company. The Company will consider all questions and endeavour to address all the substantial and relevant questions by 22 April 2022 for questions submitted before 20 April 2022, prior to the deadline for the submission of proxy forms.

Provision 11.5 – Minutes of general meetings

Minutes of general meetings include substantial and relevant queries or comments from shareholders relating to the agenda of the meeting and responses from the Board and Management would be available to shareholders upon their request. The Company publishes minutes of general meetings of shareholders on SGXNet and its corporate website as soon as practicable.

Minutes of the AGM held on 28 April 2021 were published on SGXNet and the Company's corporate website.

Provision 11.6 – Dividend policy

The Board notes that Provision 11.6 of the 2018 Code sets out that the Company should have a dividend policy and communicates it to shareholders. However, the Group does not have a concrete dividend policy at present. Nonetheless, the Company is of the view that the following disclosure would constitute a balanced and understandable assessment of its position on a dividend policy, and such practice is consistent with the intent of Principle 11 of the 2018 Code. Additionally, the Company also discloses the reasons for the decision of the Board not to declare or recommend a dividend, together with the announcement of the financial statements, which is in line with Rule 704(23) of the Catalist Rules.

The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provisions 12.1, 12.2 and 12.3 – Stakeholder engagement

Information is communicated to shareholders on a timely basis and in an accurate and comprehensive manner, through annual reports that are issued to all shareholders within the mandatory period, half-year/full year announcements, disclosures to the SGX-ST via SGXNet and other announcements, where required, under the provision of the Catalist Rules. The Company adopts the practice of regularly communicating major developments in its businesses and operations through SGXNet and, where appropriate, directly to shareholders, other investors, analysts, the media, the public and its employees.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT - continuedProvisions 12.1, 12.2 and 12.3 – Stakeholder engagement - continued

The Company does not practice selective disclosure of material information. Material information is excluded from briefings with investors or analysts, unless it has been publicly released either before, or concurrently with, such meetings. The Board provides the shareholders with a balanced and understandable assessment of the Group's performance, position and prospects on a half-yearly basis. Such responsibility is extended to the other price-sensitive public reports and reports to regulators (if required).

Provisions 12.2 and 12.3 of the 2018 Code sets out that the Company has in place an investor relations policy that allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders, and the mechanism through which shareholders may contact the Company with questions. However, the Company does not have a standalone investor relations department, and there is no investor relations policy. Based on the current size and operations of the Group, the Board is of the view that the current practices and the disclosure of information to shareholders as set out above is in line with the intention of Principle 12. Further, shareholders can send questions to the Company's email at ir@tshcorp.com.sg and the Company will respond to such questions. Where required, the Company may, on an ad-hoc basis, hold media and analysts' briefings and publish press releases of its financial results.

E. MANAGING STAKEHOLDERS RELATIONSHIPS**Engagement with Stakeholders**

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions 13.1, 13.2 and 13.3 – Stakeholder engagement

The Company engages its material stakeholders through different engagement channels to establish, address and monitor the material environmental, social and governance ("ESG") factors of the Group's operation and its impact on them. Such stakeholders include employees, community, government, regulators, shareholders and investors.

Engagement channels and frequencies are reviewed periodically to ensure that they are sufficient to deal with current identified stakeholders' ESG-related issues.

More information on the Company's approach to stakeholder engagement are disclosed in "Sustainability Report" section of the annual report.

The Company also maintains a corporate website to communicate and engage with stakeholders at www.tshcorp.com.sg.

F. MATERIAL CONTRACTS

There were no material contracts entered into by the Group in FY21.

G. DEALINGS IN SECURITIES

The Company has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares in the Company. The Company's policies on share dealings have been issued to all Directors and employees of the Group. The Company has informed its Directors and employees not to deal in the Company's shares on short term considerations or whilst they are in possession of unpublished material price sensitive information and during the period commencing one (1) month before the half year and full year announcement of the Group's financial results and ending on the date of the announcement of such financial results. In addition, the Directors and employees of the Group are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

H. SUSTAINABILITY REPORT

Catalist Rule 711A requires every listed issuer to prepare an annual sustainability report, which must describe the issuer's sustainability practices with reference to the primary components set out in Catalist Rule 711B on a 'comply or explain' basis.

The Board recognises its responsibility to provide a strategic direction, specifically considering sustainability issues as part of its strategic formulation. The Board also believes that to grow sustainably as a forward-looking entity, the Group has to regularly reach out and work with its stakeholders, from its employees to the community, and be a responsible steward to the natural environment. Please refer to the "Sustainability Report" section of the annual report for more information.

I. NON-SPONSOR FEE

There was no non-sponsor fee paid/payable to its Sponsor, SAC Capital Private Limited, during the financial period from 1 January 2021 to 31 December 2021.

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of TSH Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2021.

1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Dr. Yu Lai Boon
Chua Khoon Hui
Tan Dah Ching
Teo Kok Woon

The re-election of Tan Dah Ching and Teo Kok Woon (who are due for retirement pursuant to Regulation 107 of the Company's Constitution) will be tabled at the forthcoming Annual General Meeting for shareholders' approval.

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

| Name of director | Direct interest | | | Deemed interest | | |
|------------------------|-----------------|------------------|-----------------|-----------------|------------------|-----------------|
| | At 1.1.2021 | At 31.12.2021 | At 21.1.2022 | At 1.1.2021 | At 31.12.2021 | At 21.1.2022 |
| The Company | | | | | | |
| Ordinary shares | | | | | | |
| Chua Khoon Hui | 6,500,216 | 6,500,216 | 6,500,216 | – | – | – |
| Teo Kok Woon | – | – | – | 28,410,666 | 28,410,666 | 28,410,666 |

4. Directors' interests in shares and debentures - continued

By virtue of Section 7 of the Singapore Companies Act 1967, Teo Kok Woon is deemed to have an interest in the subsidiaries of the Company.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

5. Options

The Group does not have any Share Option Schemes or Share Schemes. No options were issued by the Company or its subsidiaries during the financial year. As at 31 December 2021, there were no options on the unissued shares of the Company or its subsidiaries which were outstanding.

6. Audit Committee

The Audit Committee performed the functions specified in the Singapore Companies Act 1967, and in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual, including the Code of Corporate Governance. The functions performed are detailed in the Report on Corporate Governance.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Dr. Yu Lai Boon
Director

Chua Khoon Hui
Director

Singapore
31 March 2022

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TSH CORPORATION LIMITED AND ITS SUBSIDIARIES

Report on the audit of the financial statements

We have audited the financial statements of TSH Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company, and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters below, our description of how our audit addressed the matters are provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to the matters below. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters - continued*Risk of loss of inventories*

As of 31 December 2021, the Group's inventories amounted to \$5.5 million. Inventories consist principally of casks, bottled alcoholic beverages held for sale and include high value items of liquor which are susceptible to loss due to pilferage. As such, we consider the risk of loss of inventories to be a key audit matter.

We obtained an understanding of management's process for the purchase and management of inventories and tested key controls over the purchases and inventory management processes.

We evaluated management's instructions and procedures for recording and controlling the results of the Group's physical inventory count exercise to ascertain the inventory value at year end. We observed the Group's inventories count procedures and performed test counts. We traced the results from the test counts to management's inventory compilation and evaluated whether the inventory compilation accurately reflects actual inventory count results. We also requested direct confirmation of inventories held at third party locations at the financial year-end and traced confirmed quantities to management's inventory compilation.

We reviewed management's reconciliation of the physical inventory compilation with the general ledger account balances and the inventory records and investigated any unusual items and test reconciling items. We also traced cut-off information obtained during the physical observation to the accounting records of sales and purchases of inventories to check that inventory movements are recorded in the correct period. We performed analytical review procedures on the inventory balances at the financial year end.

Impairment assessment of plant and equipment ("PPE"), right-of-use assets ("ROUA") and investments in subsidiaries

As of 31 December 2021, the carrying amounts of the Group's PPE and ROUA amounted to \$0.1 million and \$0.4 million respectively, and the carrying amount of the Company's investments in subsidiaries amounted to \$7.7 million. The Group's business has been impacted significantly by the COVID-19 pandemic and the Group recorded operating losses or experienced a decline in operating profits across a number of outlets that it operates in Singapore. Accordingly, there were indications that these assets may be impaired. Management performed impairment assessments on these assets and as a result, the Group recognised impairment losses of \$0.09 million and \$0.03 million in respect of PPE and ROUA for the financial year ended 31 December 2021. Management's estimation of the recoverable amounts of cash generating units ("CGUs") to which the assets belong using value-in-use calculations involved the use of significant management judgment and estimation, and this is especially heightened by the current market conditions brought about by the COVID-19 pandemic. As such, we consider the impairment of PPE, ROUA and investments in subsidiaries to be a key audit matter.

Our audit procedures included, amongst others, reviewing management's process in identification of impairment indicators. In evaluating management's estimation of the recoverable amounts of CGUs, we assessed the reasonableness of management's key assumptions underlying the value-in-use calculations. These assumptions include projections of revenue growth rate, gross profit margins, discount rates and long-term growth rates, including management's consideration of the potential impact that the COVID-19 pandemic has on the Group's operations. We assessed the reasonableness of projected revenue growth rates and gross profit margins by comparing them to historical and current performance of the outlets as well as available external market data, taking into consideration the current uncertain market conditions.

Key audit matters - continued

Impairment assessment of plant and equipment ("PPE"), right-of-use assets ("ROUA") and investments in subsidiaries- continued

We engaged our internal valuation specialists to assist us in reviewing the discount rates and long term growth rates used in the value-in-use calculations. We compared the discount rates used to those of comparable companies in the same industry and compared the long term growth rates to external market data such as economic growth and inflation rate. We also reviewed the adequacy of the related disclosures set out in Note 12, Note 13 and Note 15 to the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements - continued

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Terry Wee Hiang Bing.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
31 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

| | Note | Group | |
|---|------|--------------------|-------------|
| | | 2021 \$ | 2020 \$ |
| Revenue | 4 | 5,168,251 | 4,151,631 |
| Cost of sales | | (1,451,604) | (1,089,394) |
| Gross profit | | 3,716,647 | 3,062,237 |
| Other income | 5 | 1,049,565 | 898,941 |
| General and administrative expenses | | (4,115,917) | (3,578,936) |
| Selling and distribution expenses | | (108,378) | (83,061) |
| Other operating expenses | 6 | (755,097) | (2,179,142) |
| Finance costs | 7 | (81,767) | (52,972) |
| Share of results of associate | | - | (993) |
| Loss before tax | 8 | (294,947) | (1,933,926) |
| Income tax expense | 10 | (21,100) | (16,380) |
| Loss for the year attributable to owners of the Company | | (316,047) | (1,950,306) |
| Other comprehensive income: | | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation reserve taken to profit or loss on striking-off of associate | | (4,065) | - |
| Foreign currency translation | | - | (703) |
| Total comprehensive income for the year attributable to owners of the Company | | (320,112) | (1,951,009) |
| Loss per share | | | |
| - Basic and diluted (cents per share) | 11 | (0.71) | (4.40) |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

| | Note | Group | | Company | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ |
| Non-current assets | | | | | |
| Plant and equipment | 12 | 89,663 | 184,901 | - | - |
| Right-of-use assets | 13 | 418,088 | 753,900 | - | - |
| Intangible assets | 14 | 7,105 | 14,145 | - | - |
| Investments in subsidiaries | 15 | - | - | 7,705,667 | 7,705,667 |
| Investment in associate | 16 | - | - | - | - |
| Other receivables | 17 | 59,120 | 147,899 | - | - |
| Deferred tax assets | 10 | 93,700 | 116,500 | - | - |
| | | 667,676 | 1,217,345 | 7,705,667 | 7,705,667 |
| Current assets | | | | | |
| Inventories | 18 | 5,460,484 | 3,954,823 | - | - |
| Trade and other receivables | 17 | 679,329 | 549,731 | 4,599,686 | 1,727,778 |
| Cash and bank balances | 19 | 4,691,512 | 4,435,151 | 3,288,066 | 3,533,724 |
| | | 10,831,325 | 8,939,705 | 7,887,752 | 5,261,502 |
| Total assets | | 11,499,001 | 10,157,050 | 15,593,419 | 12,967,169 |
| Current liabilities | | | | | |
| Contract liabilities | 4 | 128,039 | 3,264 | - | - |
| Trade and other payables | 20 | 1,553,541 | 1,860,122 | 411,898 | 418,457 |
| Bank borrowing | 21 | 553,339 | - | 553,339 | - |
| Income tax payable | | 200 | 360 | - | - |
| Lease liabilities | 13 | 500,272 | 796,769 | - | - |
| Provision for restoration costs | 22 | 72,035 | 41,375 | - | - |
| | | 2,807,426 | 2,701,890 | 965,237 | 418,457 |
| Net current assets | | 8,023,899 | 6,237,815 | 6,922,515 | 4,843,045 |
| Non-current liabilities | | | | | |
| Bank borrowing | 21 | 1,946,661 | - | 1,946,661 | - |
| Deferred tax liabilities | 10 | - | 1,900 | - | - |
| Lease liabilities | 13 | 207,405 | 554,979 | - | - |
| Provision for restoration costs | 22 | 43,100 | 83,760 | - | - |
| | | 2,197,166 | 640,639 | 1,946,661 | - |
| Total liabilities | | 5,004,592 | 3,342,529 | 2,911,898 | 418,457 |
| Net assets | | 6,494,409 | 6,814,521 | 12,681,521 | 12,548,712 |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 23 | 4,569,422 | 4,569,422 | 12,545,472 | 12,545,472 |
| Capital reserve | 24 | 1,452,106 | 1,452,106 | - | - |
| Foreign currency translation reserve | 25 | - | 4,065 | - | - |
| Revenue reserve | | 472,881 | 788,928 | 136,049 | 3,240 |
| Total equity | | 6,494,409 | 6,814,521 | 12,681,521 | 12,548,712 |
| Total equity and liabilities | | 11,499,001 | 10,157,050 | 15,593,419 | 12,967,169 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

| | Attributable to owners of the Company | | | | |
|---|---------------------------------------|------------------------------------|---|-----------------------|--------------------|
| | Share capital (Note 23) \$ | Capital reserve (Note 24) \$ | Foreign currency translation reserve (Note 25) \$ | Revenue reserve \$ | Total equity \$ |
| Group | | | | | |
| At 1 January 2020 | 4,569,422 | 1,452,106 | 4,768 | 2,739,234 | 8,765,530 |
| Loss for the year | - | - | - | (1,950,306) | (1,950,306) |
| <u>Other comprehensive income</u> | | | | | |
| Foreign currency translation | - | - | (703) | - | (703) |
| Total comprehensive income | - | - | (703) | (1,950,306) | (1,951,009) |
| At 31 December 2020 and 1 January 2021 | 4,569,422 | 1,452,106 | 4,065 | 788,928 | 6,814,521 |
| Loss for the year | - | - | - | (316,047) | (316,047) |
| <u>Other comprehensive income</u> | | | | | |
| Foreign currency translation reserve taken to profit or loss on striking-off of associate | - | - | (4,065) | - | (4,065) |
| Total comprehensive income | - | - | (4,065) | (316,047) | (320,112) |
| At 31 December 2021 | 4,569,422 | 1,452,106 | - | (472,881) | 6,494,409 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of changes in equity

| | Share Capital (Note 23) \$ | Revenue reserve \$ | Total equity \$ |
|---|-------------------------------------|--------------------------|-----------------------|
| Company | | | |
| At 1 January 2020 | 12,545,472 | 4,570,572 | 17,116,044 |
| Loss for the year, representing total comprehensive income for the year | – | (4,567,332) | (4,567,332) |
| At 31 December 2020 and 1 January 2021 | 12,545,472 | 3,240 | 12,548,712 |
| Profit for the year, representing total comprehensive income for the year | – | 132,809 | 132,809 |
| At 31 December 2021 | 12,545,472 | 136,049 | 12,681,251 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|--------------------|------------------|
| Operating activities | | | |
| Loss before tax | | (294,947) | (1,933,926) |
| Adjustments for: | | | |
| Amortisation of intangible assets | 6 | 7,040 | 8,750 |
| Depreciation of plant and equipment | 6 | 141,503 | 373,325 |
| Depreciation of right-of-use assets | 6 | 474,042 | 947,007 |
| Reversal of provision for restoration costs | | (1,900) | – |
| Impairment of plant and equipment | 6 | 91,704 | 344,850 |
| Impairment of right-of-use assets | 6 | 33,195 | 497,145 |
| Finance costs | 7 | 81,767 | 52,972 |
| Gain on striking-off of associate | 5 | (4,065) | – |
| Interest income | 5 | (11,796) | (23,988) |
| Share of results of associate | | – | 993 |
| Plant and equipment written off | 6 | 4,314 | 1,468 |
| Operating cash flows before changes in working capital | | 520,857 | 268,596 |
| <u>Changes in working capital</u> | | | |
| Increase in inventories | | (1,505,661) | (773,917) |
| Increase in trade and other receivables | | (40,819) | (8,595) |
| (Decrease)/Increase in trade and other payables and contract liabilities | | (235,443) | 210,362 |
| Cash flows used in operations | | (1,261,066) | (303,554) |
| Interest income received | | 11,796 | 4,831 |
| Income taxes paid | | (360) | (61,680) |
| Net cash flows used in operating activities | | (1,249,630) | (360,403) |
| Investing activities | | | |
| Net government grant received for intangible assets | 14 | – | 6,600 |
| Interest received | | – | 22,526 |
| Purchase of plant and equipment | | (150,382) | (23,714) |
| Withdrawal of fixed deposits | | – | 3,024,982 |
| Net cash flows (used in)/generated from investing activities | | (150,382) | 3,030,394 |
| Financing activities | | | |
| Payment of lease liabilities | 13 | (792,154) | (965,954) |
| Interest paid | | (51,473) | – |
| Proceeds from bank borrowing | | 2,500,000 | – |
| Net cash flow generated from/(used in) financing activities | | 1,656,373 | (965,954) |
| Net increase in cash and cash equivalents | | 256,361 | 1,704,037 |
| Cash and cash equivalents at beginning of the year | | 4,435,151 | 2,731,114 |
| Cash and cash equivalents at end of the year | 19 | 4,691,512 | 4,435,151 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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").

The registered office and principal place of business of the Company is located at 315 Outram Road, #14-02 Tan Boon Liat Building, Singapore 169074.

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries and associate are disclosed in Notes 15 and 16 to the financial statements respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The consolidated financial statements are presented in Singapore Dollars ("SGD" or "\$") and have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|---|--|
| Amendments to SFRS(I) 3 <i>Reference to the Conceptual Framework</i> | 1 January 2022 |
| Amendments to SFRS(I) 16 <i>Property, Plant and Equipment - Proceeds before Intended Use</i> | 1 January 2022 |
| Amendments to SFRS(I) 1-37 <i>Onerous Contracts - Cost of Fulfilling a Contract</i> | 1 January 2022 |
| Annual Improvements to SFRS(I)s 2018-2021 | 1 January 2022 |
| Amendments to SFRS(I) 1-1 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> | 1 January 2023 |
| Amendments to SFRS(I) 10 and SFRS (I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Date to be determined |

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the financial year of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.4 Basis of consolidation and business combinations

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.4 Basis of consolidation and business combinations - *continued*

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.5 Foreign currency

The financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in SGD and are recorded on initial recognition in SGD at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|------------------------|----------------|
| Bar and tableware | – 2 years |
| Furniture and fittings | – 3 to 5 years |
| Equipment | – 3 to 5 years |
| Renovation | – 3 to 5 years |

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the financial year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.7 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|----------|-----------|
| Software | – 3 years |
|----------|-----------|

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.10 Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.11 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments measured at amortised cost

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.11 Financial instruments - continued

(b) Financial liabilities - continued

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits with maturities of three-months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete or slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Government grants

Government grants are not recognised until there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Where the grant relates to income, it shall be presented as a credit in profit or loss under "Other income". Alternatively, it is deducted in reporting the related expense. When the grant relates to an asset, it is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

2.17 Borrowing costs

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Employee benefits expense

(a) *Defined contribution plan*

The Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| | |
|-----------------|----------------|
| Leased premises | – 3 to 5 years |
|-----------------|----------------|

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy in Note 2.8.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.19 Leases - *continued*

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which usually coincides with the customer obtaining control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Sale of goods*

The Group principally engages in the sale of food and beverages to customers. Revenue from the sale of goods is recognised upon the satisfaction of each performance obligation, which is usually the delivery of goods to customers and all criteria for acceptance have been satisfied at a point in time. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Rendering of services*

The Group provides services such as events and management services to customers. Revenue from rendering of services is recognised over time as and when the services are rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.21 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.21 Taxes - *continued*

(b) *Deferred tax - continued*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 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 Note 18 to the financial statements.

Impairment of non-financial assets

The Group assesses whether there are indicators of impairment for plant and equipment and right-of-use asset 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 light of the COVID-19 pandemic and its adverse effect on the operations of the Group, with closure of outlets, decrease in earnings and operating cash flows, management has determined that there is an 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - continued

3.2 Key sources of estimation uncertainty - continued

Impairment of non-financial assets - continued

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% (2020: 9%). For the financial year ended 31 December 2021, management recognised impairment losses on the Group's plant and equipment and right-of-use assets of \$91,704 (2020: \$344,850) and \$33,195 (2020: \$497,145) 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 Notes 12, 13 and 15 to the financial statements respectively.

4. REVENUE

| | Group | |
|-----------------------|------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Sale of goods | 5,077,033 | 3,892,816 |
| Rendering of services | 91,218 | 258,815 |
| | 5,168,251 | 4,151,631 |
| At a point in time | 5,077,033 | 3,892,816 |
| Over time | 91,218 | 258,815 |
| | 5,168,251 | 4,151,631 |

Contract liabilities

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers.

Contract liabilities are recognised as revenue as the Group performs its obligations under the contract.

4. REVENUE - continued

Significant changes in contract liabilities are explained as follows:

| | Group | |
|---|--------------|------|
| | 2021 | 2020 |
| | \$ | \$ |
| Revenue recognised that was included in the contract liabilities balance at beginning of year | 3,264 | – |

Transaction price allocated to remaining performance obligations

| | Group | |
|--|----------------|-------|
| | 2021 | 2020 |
| | \$ | \$ |
| Aggregate amount of the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations at end of year | 128,039 | 3,264 |

5. OTHER INCOME

| | Group | |
|-----------------------------------|----------------|---------|
| | 2021 | 2020 |
| | \$ | \$ |
| Other income includes: | | |
| Government grants | 709,072 | 693,236 |
| Gain on striking-off of associate | 4,065 | – |
| Interest income | 11,796 | 23,988 |
| Rental rebates | 295,273 | 160,166 |

Government grants comprise mainly grant income received by the Group under the Special Employment Credit, Wage Credit Scheme, Job Support Scheme, Rental Support Scheme and property tax rebates from the Singapore Government.

6. OTHER OPERATING EXPENSES

| | Group | |
|---|----------------|---------|
| | 2021 | 2020 |
| | \$ | \$ |
| Other operating expenses include: | | |
| Amortisation of intangible assets (Note 14) | 7,040 | 8,750 |
| Depreciation of plant and equipment (Note 12) | 141,503 | 373,325 |
| Depreciation of right-of-use assets (Note 13) | 474,042 | 947,007 |
| Impairment of plant and equipment (Note 12) | 91,704 | 344,850 |
| Impairment of right-of-use assets (Note 13) | 33,195 | 497,145 |
| Net foreign exchange loss | 3,298 | 6,597 |
| Plant and equipment written off | 4,314 | 1,468 |

7. FINANCE COSTS

| | Group | |
|---|---------------|---------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Interest expense on borrowing | 54,709 | – |
| Interest expense on lease liabilities (Note 13) | 27,058 | 52,972 |
| | 81,767 | 52,972 |

8. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

| | Group | |
|--|---------|---------|
| | 2021 | 2020 |
| | \$ | \$ |
| Audit fees | | |
| - Auditor of the Company | 104,130 | 100,130 |
| Non-audit fees | | |
| - Auditor of the Company | 3,500 | 3,500 |
| Expenses not included in lease liabilities | | |
| - Short-term leases and leases of low-value assets | 231,767 | 19,877 |
| - Variable lease payments | 118 | 4,932 |

9. EMPLOYEE BENEFITS EXPENSE

| | Group | |
|--|------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Employee benefits expense (including directors): | | |
| Salaries and bonuses | 2,614,648 | 2,405,596 |
| Central Provident Fund contributions | 256,725 | 218,750 |
| | 2,871,373 | 2,624,346 |

10. INCOME TAX

(a) *Income tax expense*

The major components of income tax expense for the years ended 31 December are as follows:

| | Group | |
|---|----------|----------|
| | 2021 | 2020 |
| | \$ | \$ |
| <i>Current tax</i> | | |
| - Current income tax | 200 | 260 |
| - Over provision in respect of previous years | - | (50,780) |
| | 200 | (50,520) |
| <i>Deferred tax</i> | | |
| - Origination and reversal of temporary differences | 36,200 | (31,500) |
| - (Over)/Under provision in respect of previous years | (15,300) | 98,400 |
| | 20,900 | 66,900 |
| Income tax expense recognised in consolidated statement of comprehensive income | 21,100 | 16,380 |

(b) *Relationship between tax expense and loss before tax*

The reconciliations between tax expense and the product of loss before tax multiplied by the applicable corporate tax rate for the years ended 31 December are as follows:

| | Group | |
|---|-----------|-------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Loss before tax | (294,947) | (1,933,926) |
| Tax calculated at statutory tax rate of 17% | (50,141) | (328,767) |
| Adjustments: | | |
| Non-deductible expenses | 2,555 | 95,802 |
| Income not subject to tax | (78,187) | (2,769) |
| Effects of partial tax exemption and tax relief | (470) | (293) |
| (Over)/Under provision in respect of previous years | (15,300) | 47,620 |
| Share of results of associate | - | 169 |
| Deferred tax assets not recognised | 162,643 | 204,587 |
| Others | - | 31 |
| Income tax expense recognised in consolidated statement of comprehensive income | 21,100 | 16,380 |

10. INCOME TAX - continued

(c) *Deferred tax*

Deferred tax as at 31 December relates to the following:

| | Consolidated statement of financial position | | Consolidated statement of comprehensive income | |
|--|--|----------------|--|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Deferred tax assets: | | | | |
| Differences in depreciation for tax purposes | 28,200 | 58,600 | (30,400) | 46,900 |
| Unused tax losses | 63,600 | 48,100 | 15,500 | (102,300) |
| Provision | 1,900 | 9,800 | (7,900) | (6,800) |
| | <u>93,700</u> | <u>116,500</u> | | |
| Deferred tax liabilities: | | | | |
| Differences in depreciation for tax purposes | – | (2,200) | 2,200 | (4,800) |
| Provision | – | 300 | (300) | 100 |
| | <u>–</u> | <u>(1,900)</u> | | |
| | <u>93,700</u> | <u>114,600</u> | | |
| Deferred tax expense | | | <u>(20,900)</u> | <u>(66,900)</u> |

Unrecognised tax losses

At the end of the year, the Group has tax losses of approximately \$7,386,000 (2020: \$6,323,000) that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to agreement of the tax authorities and compliance with certain provisions of the tax legislation in Singapore.

11. 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 | |
|---|-------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Loss for the year attributable to owners of the Company | (315,699) | (1,950,306) |
| | | |
| | Number of shares | Number of shares |
| Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation | 44,355,491 | 44,355,491 |

12. PLANT AND EQUIPMENT

| Group | Bar and tableware \$ | Equipment \$ | Furniture and fittings \$ | Renovation \$ | Total \$ |
|--|----------------------------|-----------------|---------------------------------|---------------------|-------------|
| Cost: | | | | | |
| At 1 January 2020 | 40,424 | 335,213 | 406,729 | 1,254,086 | 2,056,452 |
| Additions | – | 9,290 | – | 3,000 | 12,290 |
| Write-offs | – | (5,220) | – | – | (5,220) |
| At 31 December 2020 and 1 January 2021 | 40,424 | 359,283 | 406,729 | 1,257,086 | 2,063,522 |
| Additions | 9,967 | 46,400 | 57,112 | 28,804 | 142,283 |
| Write-offs | (9,898) | (61,403) | – | (186,465) | (257,766) |
| At 31 December 2021 | 40,493 | 344,280 | 463,841 | 1,099,425 | 1,948,039 |
| Accumulated depreciation and impairment losses: | | | | | |
| At 1 January 2020 | 27,617 | 173,310 | 229,502 | 733,769 | 1,164,198 |
| Depreciation | 12,807 | 71,864 | 78,924 | 209,730 | 373,325 |
| Write-offs | – | (3,752) | – | – | (3,752) |
| Impairment loss | – | 77,072 | 51,881 | 215,897 | 344,850 |
| At 31 December 2021 and 1 January 2021 | 40,424 | 318,494 | 360,307 | 1,159,396 | 1,878,621 |
| Depreciation | 4,151 | 30,560 | 34,622 | 72,170 | 141,503 |
| Write-offs | (9,898) | (57,089) | – | (186,465) | (253,452) |
| Impairment loss | 5,816 | 27,308 | 49,066 | 9,514 | 91,704 |
| At 31 December 2021 | 40,493 | 319,273 | 443,995 | 1,054,615 | 1,858,376 |
| Net carrying amount: | | | | | |
| At 31 December 2020 | – | 40,789 | 46,422 | 97,690 [#] | 184,901 |
| At 31 December 2021 | – | 25,007 | 19,846 | 44,810 [#] | 89,663 |

#: The amount includes capitalised restoration costs of \$3,942 (2020: \$8,976).

Impairment of plant and equipment

Please refer to Note 3.2 for details on the impairment assessment of plant and equipment.

13. LEASES

Group as a lessee

The Group has lease contracts for premises used for its operations. Leased premises generally have lease terms of 3 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning or subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments. The Group also has certain leases of premises with lease terms of 12 months or less and leases of low-value assets. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

| Group | Premises \$ |
|--|----------------|
| At 1 January 2020 | 2,198,052 |
| Depreciation | (947,007) |
| Impairment loss | (497,145) |
| At 31 December 2020 and 1 January 2021 | 753,900 |
| Additions | 171,425 |
| Depreciation | (474,042) |
| Impairment loss | (33,195) |
| At 31 December 2021 | 418,088 |

Impairment of right-of-use assets

Please refer to Note 3.2 for details on the impairment assessment of right-of-use assets.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | \$ |
|-----------------------|-----------|
| At 1 January 2021 | 1,351,748 |
| Additions | 171,425 |
| Accretion of interest | 27,058 |
| Payments | (792,154) |
| Lease modification | (50,400) |
| At 31 December 2021 | 707,677 |
| Current | 500,272 |
| Non-current | 207,405 |
| At 1 January 2020 | 2,264,730 |
| Accretion of interest | 52,972 |
| Payments | (965,954) |
| At 31 December 2020 | 1,351,748 |
| Current | 796,769 |
| Non-current | 554,979 |

13. LEASES - continued

The amounts recognised in profit or loss in relation to the Group's leases aggregated to \$732,985 (2020: \$1,024,788), as disclosed in Notes 6, 7 and 8 to the financial statements.

The Group had total cash outflows for leases of \$1,024,039 (2020: \$990,763) in 2021. The Group also had non-cash additions to right-of-use assets and lease liabilities of \$171,425 (2020: \$ Nil) in 2021.

14. INTANGIBLE ASSETS

| Group | Software \$ |
|--|----------------|
| Cost: | |
| At 1 January 2020 | 35,112 |
| Additions* | (6,600) |
| At 31 December 2020, 1 January 2021 and 31 December 2021 | 28,512 |
| Accumulated amortisation: | |
| At 1 January 2020 | 5,617 |
| Amortisation | 8,750 |
| At 31 December 2020 and 1 January 2021 | 14,367 |
| Amortisation | 7,040 |
| At 31 December 2021 | 21,407 |
| Net carrying amount: | |
| At 31 December 2020 | 14,145 |
| At 31 December 2021 | 7,105 |

Software has an average remaining amortisation period of less than 1 year (2020: less than 2 years).

*: The amount is derived after deducting the Spring Singapore Productivity Grant received of \$16,800.

15. INVESTMENT IN SUBSIDIARIES

| | Company | |
|---------------------------------|------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Unquoted equity shares, at cost | 12,286,667 | 12,286,667 |
| Less: Impairment loss | (4,581,000) | (4,581,000) |
| | 7,705,667 | 7,705,667 |

Composition of the Group

The Group has the following subsidiaries as at 31 December:

| Name of subsidiaries | Country of incorporation and place of business | Principal activities | Proportion of ownership interest | |
|---|--|--|----------------------------------|------|
| | | | 2021 | 2020 |
| | | | % | % |
| <i>Held by the Company</i> | | | | |
| Sloshed! Pte Ltd | Singapore | Investment holding | 100 | 100 |
| <i>Held through Sloshed! Pte Ltd</i> | | | | |
| TWS Pte Ltd | Singapore | Food and beverage outlets operator | 100 | 100 |
| Quaich Pte Ltd | Singapore | Food and beverage outlets operator | 100 | 100 |
| The Other Room Pte Ltd | Singapore | Food and beverage outlets operator | 100 | 100 |
| The Other Roof Pte Ltd | Singapore | Food and beverage outlets operator | 100 | 100 |
| Planet Spirits Pte Ltd | Singapore | Import, export and distribution of spirits and wines | 100 | 100 |

The subsidiaries are audited by Ernst & Young LLP, Singapore.

16. INVESTMENT IN ASSOCIATE

| | Group and Company | |
|--|-------------------|----------|
| | 2021 | 2020 |
| | \$ | \$ |
| Investment at cost, including share of post-acquisition reserves | - | 76,304 |
| Less: Impairment loss | - | (76,304) |
| | - | - |

The Group has the following associate as at 31 December:

| Name of associate | Country of incorporation and place of business | Principal activities | Proportion of ownership interest | |
|-----------------------|--|----------------------|----------------------------------|------|
| | | | 2021 | 2020 |
| | | | % | % |
| Timber Malt Pte. Ltd. | Singapore | Inactive* | - | 20 |

Information about the Group's investment in associate that is not individually material is as follows:

| | 2021 | 2020 |
|---|------|---------|
| | \$ | \$ |
| Loss after tax, representing total comprehensive income | - | (4,965) |

* The associate was struck off in 2021 and there was no significant impact to the financial results of the Group.

17. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Trade and other receivables (current) | | | | |
| Trade debtors: | | | | |
| - Third parties | 99,034 | 129,560 | - | - |
| - Director-related companies | 2,411 | 798 | - | - |
| Advances to suppliers | 254,352 | 129,973 | - | - |
| Other debtors: | | | | |
| - Third parties | 22,055 | 29,263 | - | 1,900 |
| - Subsidiaries | - | - | 4,582,128 | 1,705,341 |
| GST receivable | - | 5,705 | - | - |
| Prepayments | 72,088 | 56,932 | 17,558 | 15,017 |
| Deposits | 185,889 | 88,310 | - | - |
| Government grants receivable | 43,500 | 109,190 | - | 5,520 |
| | 679,329 | 549,731 | 4,599,686 | 1,727,778 |
| Other receivables (non-current) | | | | |
| Deposits | 59,120 | 147,899 | - | - |
| Total trade and other receivables (current and non-current) | 738,449 | 697,630 | 4,599,686 | 1,727,778 |
| Add: | | | | |
| Cash and bank balances (Note 19) | 4,691,512 | 4,435,151 | 3,288,066 | 3,533,724 |
| Less: | | | | |
| Advance to suppliers | (254,352) | (129,973) | - | - |
| GST receivable | - | (5,705) | - | - |
| Prepayments | (72,088) | (56,932) | (17,558) | (15,017) |
| Government grants receivable | (43,500) | (109,190) | - | (5,520) |
| Total financial assets at amortised cost | 5,060,021 | 4,830,981 | 7,870,194 | 5,240,965 |

Trade debtors are unsecured, non-interest bearing and are generally on 7 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amounts due from subsidiaries are unsecured, bear interest from 3.250% to 3.437% (2020: 0%) per annum, and repayable on demand.

Expected credit losses

There was no allowance for expected credit losses as at 31 December 2021 and 2020.

There are no trade and other receivables denominated in foreign currencies as at 31 December 2021 and 2020.

18. INVENTORIES

| | Group | |
|--|------------------|------------|
| | 2021 \$ | 2020 \$ |
| Goods for sale, representing mainly beverages | 5,460,484 | 3,954,823 |
| Recognised in statement of comprehensive income - Inventories recognised as cost of sales | 1,451,604 | 1,089,394 |

There were no inventories written-down for the years ended 31 December 2021 and 2020.

19. CASH AND BANK BALANCES

| | Group | | Company | |
|---------------------------|------------------|------------|------------------|------------|
| | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ |
| Cash at banks and on hand | 4,691,512 | 4,435,151 | 3,288,066 | 3,533,724 |

Cash and bank balances do not earn interest, except for a bank balance of \$3,043,914 (2020: \$3,132,193), which earns interest at floating rates based on daily bank deposit rates.

Cash and bank balances denominated in foreign currencies as at 31 December are as follows:

| | Group | | Company | |
|---------------------|--------------|------------|------------|------------|
| | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ |
| Great Britain Pound | 1,221 | 20,652 | - | - |

20. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|--|------------------|------------------|------------------|----------------|
| | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ |
| Trade creditors: | | | | |
| - Third parties | 225,232 | 358,776 | 12,899 | 8,413 |
| - Director-related companies | 856 | 7,987 | - | - |
| Accrued operating expenses | 471,537 | 485,124 | 259,551 | 270,161 |
| Other creditors: | | | | |
| - Third parties | 147,821 | 181,971 | 122,944 | 125,034 |
| - Director-related companies | 25,265 | 23,140 | - | - |
| - Shareholder | 637,025 | 637,025 | - | - |
| GST payable | 45,805 | 56,909 | 16,504 | 9,329 |
| Deferred government grant income | - | 109,190 | - | 5,520 |
| Total trade and other payables | 1,553,541 | 1,860,122 | 411,898 | 418,457 |
| Add: | | | | |
| Lease liabilities (Note 13) | 707,677 | 1,351,748 | - | - |
| Bank borrowing (Note 21) | 2,500,000 | - | 2,500,000 | - |
| Less: | | | | |
| GST payable | (45,805) | (56,909) | (16,504) | (9,329) |
| Deferred government grant income | - | (109,190) | - | (5,520) |
| Total financial liabilities carried at amortised cost | 4,715,413 | 3,045,771 | 2,895,394 | 403,608 |

Trade creditors are unsecured, non-interest bearing and are generally on 30 days' terms.

The non-trade amounts due to third parties are unsecured, non-interest bearing and repayable on demand.

Trade and other payables denominated in foreign currencies are as follows:

| | Group | | Company | |
|---------------------|------------|------------|------------|------------|
| | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ |
| Great Britain Pound | 59,615 | 126,269 | - | - |
| Renminbi | 52,749 | 52,749 | 52,749 | 52,749 |

Related party balances

The non-trade amounts due to director-related companies and a shareholder are unsecured, non-interest bearing and repayable on demand.

21. BANK BORROWING

| | Group and Company | |
|-------------|-------------------|------|
| | 2021 | 2020 |
| | \$ | \$ |
| Current | 553,339 | – |
| Non-current | 1,946,661 | – |
| | 2,500,000 | – |

The bank borrowing is interest bearing at the weighted average effective interest rate of 2.25% per annum and is repayable in 48 instalments until 2025. Certain subsidiaries have provided corporate guarantee for the bank borrowing.

A reconciliation of liabilities arising from financing activities is as follows:

| | 2020 | Cash flows | 2021 |
|----------------|------|------------|-----------|
| | \$ | \$ | \$ |
| Bank borrowing | – | 2,500,000 | 2,500,000 |

22. PROVISION FOR RESTORATION COSTS

| | Group | |
|------------------------------|----------------|---------|
| | 2021 | 2020 |
| | \$ | \$ |
| At 1 January and 31 December | 125,135 | 125,135 |
| Additions | 18,000 | – |
| Reversal | (1,900) | – |
| Utilised | (26,100) | – |
| | 115,135 | 125,135 |
| Current | 72,035 | 41,375 |
| Non-current | 43,100 | 83,760 |

Provision for restoration costs relates to the estimated costs to reinstate the Group's leased premises to their original state upon expiry of the leases.

23. SHARE CAPITAL

| | Group | | Company | |
|--|------------------------|-----------|------------------------|------------|
| | No. of ordinary shares | \$ | No. of ordinary shares | \$ |
| Issued and fully paid ordinary shares: | | | | |
| At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021 | 44,355,491 | 4,569,422 | 44,355,491 | 12,545,472 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

24. CAPITAL RESERVE

Capital reserve represents the amount waived by the former shareholders of Sloshed! Pte Ltd.

25. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of operations whose functional currencies are different from that of the Company's presentation currency.

26. RELATED PARTY TRANSACTIONS

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the year:

| | 2021 | 2020 |
|---|--------|--------|
| | \$ | \$ |
| Sale of goods to a director | 16,353 | 4,819 |
| Sale of goods to director-related companies | 4,073 | 6,540 |
| Purchase of goods from director-related companies | 2,814 | 14,826 |

(b) *Compensation of key management personnel*

| | 2021 | 2020 |
|--------------------------------------|---------|---------|
| | \$ | \$ |
| Salaries and bonuses | 505,940 | 510,890 |
| Central Provident Fund contributions | 24,480 | 30,430 |
| | 530,420 | 541,320 |

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. The Group does not hold or issue derivative financial instruments for speculative purposes.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all borrowers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

A significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- there is significant difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- there is a disappearance of an active market for that financial asset because of financial difficulty

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

(a) Credit risk - continued

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Trade and other receivables

The Group's trade debtors at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management considers 'low credit risk' for the debt instruments measured at amortised cost when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

As for other debtors, the Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in. The Group measured the impairment loss allowance using general approach of ECL and determined that the ECL is insignificant.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

The Group does not have financial assets that are either past due or impaired.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group monitors and maintains a level of cash and bank balances deemed sufficient to finance the Group's operations.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

(b) Liquidity risk - continued

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the financial assets used for managing liquidity risk and financial liabilities at the end of the year based on contractual undiscounted repayment obligations.

| Group | One year or less \$ | More than one year to less than five years \$ | Total \$ |
|---|------------------------|--|-------------|
| 2021 | | | |
| Financial assets: | | | |
| Trade and other receivables | 310,420 | 59,400 | 369,820 |
| Cash and bank balances | 4,691,512 | – | 4,691,512 |
| Total undiscounted financial assets | 5,001,932 | 59,400 | 5,061,332 |
| Financial liabilities: | | | |
| Trade and other payables | 1,507,736 | – | 1,507,736 |
| Bank borrowing | 553,339 | 1,946,661 | 2,500,000 |
| Lease liabilities | 511,783 | 210,174 | 721,957 |
| Total undiscounted financial liabilities | 2,572,858 | 2,156,835 | 4,729,693 |
| Total net undiscounted financial assets/(liabilities) | 2,429,074 | (2,097,435) | 331,639 |
| 2020 | | | |
| Financial assets: | | | |
| Trade and other receivables | 247,931 | 149,210 | 397,141 |
| Cash and bank balances | 4,435,151 | – | 4,435,151 |
| Total undiscounted financial assets | 4,683,082 | 149,210 | 4,832,292 |
| Financial liabilities: | | | |
| Trade and other payables | 1,694,023 | – | 1,694,023 |
| Lease liabilities | 820,954 | 565,958 | 1,386,912 |
| Total undiscounted financial liabilities | 2,514,977 | 565,958 | 3,080,935 |
| Total net undiscounted financial assets/(liabilities) | 2,168,105 | (416,748) | 1,751,357 |

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

(b) Liquidity risk - continued

| Company | One year or less \$ | More than one year to less than five years \$ | Total \$ |
|---|---------------------------|--|-------------|
| 2021 | | | |
| Financial assets: | | | |
| Trade and other receivables | 4,582,128 | – | 4,582,128 |
| Cash and bank balances | 3,288,066 | – | 3,288,066 |
| Total undiscounted financial assets | 7,870,194 | – | 7,870,194 |
| Financial liabilities: | | | |
| Trade and other payables | 395,394 | – | 395,394 |
| Bank borrowing | 553,339 | 1,946,661 | 2,500,000 |
| Total undiscounted financial liabilities | 948,733 | 1,946,661 | 2,895,394 |
| Total net undiscounted financial assets/(liabilities) | 6,921,461 | (1,946,661) | 4,974,800 |
| 2020 | | | |
| Financial assets: | | | |
| Trade and other receivables | 1,707,241 | – | 1,707,241 |
| Cash and bank balances | 3,533,724 | – | 3,533,724 |
| Total undiscounted financial assets | 5,240,965 | – | 5,240,965 |
| Financial liabilities: | | | |
| Trade and other payables | 403,608 | – | 403,608 |
| Total undiscounted financial liabilities | 403,608 | – | 403,608 |
| Total net undiscounted financial assets | 4,837,357 | – | 4,837,357 |

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

(c) Foreign currency risk

The Group has transactional currency exposures arising from purchases that are mainly denominated in Great Britain Pound ("GBP"). Approximately 63% (2020: 74%) of the Group's purchases are denominated in GBP.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the GBP exchange rate against the SGD, with all other variables held constant.

| | Loss before tax (higher)/ lower 2021 \$ | Loss before tax (higher)/ lower 2020 \$ |
|----------------------|--|--|
| GBP against SGD | | |
| – strengthened by 5% | (5,326) | (5,281) |
| – weakened by 5% | 5,326 | 5,281 |

28. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

28. FAIR VALUE OF ASSETS AND LIABILITIES - continued*Fair value hierarchy - continued*

The carrying amount of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the year. Fair value of non-current deposits paid to landlords are not materially different from their carrying amounts. The Group does not anticipate that the carrying amounts recorded at the end of the year would be significantly different from the values that would eventually be received or settled.

As at the end of the year, the Group does not have any financial instruments carried at fair value.

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholders' value.

The Group and Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, lease liabilities, contract liabilities and provision for restoration costs less cash and bank balances. Capital refers to equity attributable to owners of the Company.

| | Note | Group | |
|--|------|-------------|-------------|
| | | 2021 \$ | 2020 \$ |
| Trade and other payables | 20 | 1,553,541 | 1,860,122 |
| Lease liabilities | 13 | 707,677 | 1,351,748 |
| Contract liabilities | 4 | 128,039 | 3,264 |
| Bank borrowing | 21 | 2,500,000 | – |
| Provision for restoration costs | 22 | 115,135 | 125,135 |
| Less: Cash and bank balances | 19 | (4,691,512) | (4,435,151) |
| Net debt/(cash) | | 312,880 | (1,094,882) |
| Equity attributable to owners of the Company | | 6,494,409 | 6,814,521 |
| Capital and net debt | | 6,807,289 | 5,719,639 |
| Gearing ratio (times) | | 0.05 | n.m. |

n.m.- Not meaningful

30. SEGMENT INFORMATION

Reportable segment

Information reported 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.

Geographical information

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.

Information about major customers

During the years ended 31 December 2021 and 2020, there is no single major customer that contributed more than 5% of the Group's total revenue. The revenue is spread over a broad base of customers.

31. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 31 March 2022.

STATISTICS OF SHAREHOLDERS

As at 15 March 2022

SHARE CAPITAL

| | | |
|---|---|--------------------|
| Total number of issued shares excluding treasury shares and subsidiary holdings | : | 44,355,491 |
| Number of treasury shares held | : | Nil |
| Number of subsidiary holdings held | : | Nil |
| Class of Shares | : | Ordinary shares |
| Voting Rights | : | One vote per share |

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

| Size of Shareholdings | No. of Shareholders | % of Shareholders | No. of Shares | % of Shareholdings |
|-----------------------|---------------------|-------------------|-------------------|--------------------|
| 1 - 99 | 90 | 10.78 | 3,269 | 0.01 |
| 100 - 1,000 | 314 | 37.60 | 179,416 | 0.41 |
| 1,001 - 10,000 | 367 | 43.95 | 1,186,112 | 2.67 |
| 10,001 - 1,000,000 | 61 | 7.31 | 6,923,812 | 15.61 |
| 1,000,001 AND ABOVE | 3 | 0.36 | 36,062,882 | 81.30 |
| TOTAL | 835 | 100.00 | 44,355,491 | 100.00 |

LIST OF TWENTY LARGEST SHAREHOLDERS

| No. | Name of Shareholders | No. of Shares | % of Shareholdings |
|-----|--|-------------------|--------------------|
| 1 | UOB KAY HIAN PRIVATE LIMITED | 26,534,303 | 59.82 |
| 2 | CHUA KHOON HUI (CAI KUNHUI) | 6,500,216 | 14.65 |
| 3 | COCKPIT INTERNATIONAL PTE LTD | 3,028,363 | 6.83 |
| 4 | H'NG TIEN YAO | 916,700 | 2.07 |
| 5 | LIM KIAN BOON CHARLES | 838,737 | 1.89 |
| 6 | DANIEL GOH YING WAI | 655,120 | 1.48 |
| 7 | DARIO NOCENTINI | 638,900 | 1.44 |
| 8 | CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. | 473,053 | 1.07 |
| 9 | WANG YANLI | 436,400 | 0.98 |
| 10 | MAYBANK SECURITIES PTE. LTD. | 408,039 | 0.92 |
| 11 | KHO CHUAN THYE PATRICK | 254,210 | 0.57 |
| 12 | OCBC SECURITIES PRIVATE LIMITED | 252,324 | 0.57 |
| 13 | CHEONG CHI KIN | 220,000 | 0.50 |
| 14 | LOH WAI LENG | 155,520 | 0.35 |
| 15 | TIO HONG TJOEN @ TARWIDJAJA WIHARDJA OR THAM MEI KHENG | 113,635 | 0.26 |
| 16 | DBS NOMINEES (PRIVATE) LIMITED | 106,120 | 0.24 |
| 17 | PHILLIP SECURITIES PTE LTD | 102,125 | 0.23 |
| 18 | GOH HAN PENG (WU HANPING) | 84,255 | 0.19 |
| 19 | OCBC NOMINEES SINGAPORE PRIVATE LIMITED | 79,733 | 0.18 |
| 20 | CITIBANK NOMINEES SINGAPORE PTE LTD | 74,300 | 0.17 |
| | TOTAL | 41,872,053 | 94.41 |

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 15 March 2022)

| Name | Direct Interest | | Deemed Interest | | Total Interest | |
|----------------------------------|-----------------|-------|---------------------------|-------|----------------|-------|
| | No. of shares | % | No. of shares | % | No. of shares | % |
| Teo Kok Woon | - | - | 28,410,666 ⁽¹⁾ | 64.05 | 28,410,666 | 64.05 |
| Cockpit International Pte Ltd | 3,028,363 | 6.83 | - | - | 3,028,363 | 6.83 |
| Yeo Gek Lang, Susie | - | - | 3,028,363 ⁽²⁾ | 6.83 | 3,028,363 | 6.83 |
| Goodearth Realty Private Limited | - | - | 3,028,363 ⁽²⁾ | 6.83 | 3,028,363 | 6.83 |
| Chua Khoon Hui | 6,500,216 | 14.65 | - | - | 6,500,216 | 14.65 |

Notes :-

- (1) Teo Kok Woon is deemed to be interested in 3,028,363 shares held by Cockpit International Pte Ltd and 25,382,303 shares held by UOB Kay Hian Private Limited as nominee of Teo Kok Woon.
- (2) 3,028,363 shares were held in the name of Cockpit International Pte Ltd in which Yeo Gek Lang, Susie and Goodearth Realty Private Limited are deemed to be interested.

**COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL
SECTION B : RULES OF CATALIST ("CATALIST RULES")**

Based on information available and to the best knowledge of the Company as at 15 March 2022, approximately 21.29% of the ordinary shares of the Company are held by the public. Therefore, the Company is in compliance with Rule 723 of the Catalist Rules.

BOARD OF DIRECTORS

Dr. Yu Lai Boon
*Non-Executive Chairman
and Independent Director*

Mr. Chua Khoo Hui
*Chief Executive Officer
and Executive Director*

Mr. Tan Dah Ching
Non-Executive Independent Director

Mr. Teo Kok Woon
Non-Executive Non-Independent Director

NOMINATING COMMITTEE

Mr. Tan Dah Ching
Chairman

Mr. Teo Kok Woon
Dr. Yu Lai Boon

REMUNERATION COMMITTEE

Dr. Yu Lai Boon
Chairman

Mr. Tan Dah Ching
Mr. Teo Kok Woon

AUDIT COMMITTEE

Dr. Yu Lai Boon
Chairman

Mr. Tan Dah Ching
Mr. Teo Kok Woon

COMPANY SECRETARY

Ms. Chan Lai Yin

REGISTERED OFFICE

315 Outram Road
#14-02 Tan Boon Liat Building
Singapore 169074
Tel : (65) 6732 3452
Email : contact@tshcorp.com.sg

COMPANY REGISTRATION NO.

200003865N

AUDITORS

Ernst & Young LLP
Engagement Partner: Terry Wee Hiang Bing (with
effect from financial year ended 31 December
2018)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

PRINCIPAL BANKERS

DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhard
United Overseas Bank Ltd

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of TSH Corporation Limited (the “**Company**”) will be held by electronic means on Friday, 29 April 2022 at 3.00 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors’ Statement and the Auditor’s Report thereon. **(Resolution 1)**
2. To approve Directors’ Fees of S\$80,000.00 for the financial year ended 31 December 2021 (2020: S\$72,000.00). **(Resolution 2)**
3. To re-elect Mr Teo Kok Woon who is retiring in accordance with Regulation 107 of the Company’s Constitution. (See *Explanatory Note 1*) **(Resolution 3)**
4. To re-elect Mr Tan Dah Ching who is retiring in accordance with Regulation 107 of the Company’s Constitution. (See *Explanatory Note 2*) **(Resolution 4)**
5. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without modifications:

7. Authority to issue shares

“That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Act**”) and Rule 806 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to:-

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force), issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below).
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of convertible securities;
 - (ii) new Shares arising from the exercise of share options or vesting of share awards, provided the share options or share awards (as the case may be), were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (i), (ii) and (iii) above are only to be made in respect of new shares arising from convertible securities, share options or shares awards which were issued and outstanding or subsisting at the time of the passing of this resolution.
- (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act, and the Constitution for the time being of the Company; and

unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

(See *Explanatory Note 3*)

(Resolution 6)

8. Continued appointment of Mr Tan Dah Ching as an Independent Director for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules by all shareholders

That, contingent upon the passing of Resolution 4 by shareholders and Resolution 8 by shareholders (excluding the Directors, Chief Executive Officer ("CEO") of the Company and their associates) and in accordance with Rule 406(3)(d)(iii) of the Catalist Rules:

- (a) the continued appointment of Mr Tan Dah Ching, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules be and is hereby approved by all shareholders; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following:
 - (i) the retirement or resignation of Mr Tan Dah Ching as a Director; or
 - (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.

(See *Explanatory Note 4*)

(Resolution 7)

9. **Continued appointment of Mr Tan Dah Ching as an Independent Director for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules by shareholders, excluding the Directors and the CEO of the Company, and their associates**

That, contingent upon the passing of Resolution 4 and Resolution 7 by shareholders and in accordance with Rule 406(3)(d)(iii) of the Catalist Rules:

- (a) the continued appointment of Mr Tan Dah Ching, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules be and is hereby approved by shareholders, excluding the Directors, CEO of the Company and their associates (as defined in the Catalist Rules); and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following:
 - (i) the retirement or resignation of Mr Tan Dah Ching as a Director; or
 - (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 7 is passed by shareholders of the Company at the Annual General Meeting.

(See *Explanatory Note 4*)

(Resolution 8)

BY ORDER OF THE BOARD

Chan Lai Yin
Company Secretary

Singapore, 12 April 2022

Explanatory notes to the Notice of the AGM

1. Mr Teo Kok Woon, if re-elected, will remain as Non-Executive Non-Independent Director and a member of the Audit Committee, Nominating Committee and Remuneration Committee. Pursuant to Rule 720(5) of the Catalist Rules, detailed information on Mr Teo Kok Woon who is seeking re-election at the Annual General Meeting (“AGM”) can be found under the “Disclosure of Information on Directors Seeking Re-election” of the 2021 Annual Report.
2. Mr Tan Dah Ching, if re-elected, will remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Mr Tan is considered to be independent for the purpose of Rule 704(7) of the Catalist Rules. Pursuant to Rule 720(5) of the Catalist Rules, detailed information on Mr Tan Dah Ching who is seeking re-election at the AGM can be found under the “Disclosure of Information on Directors Seeking Re-election” of the 2021 Annual Report.
3. The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above Annual General Meeting until the date of the next annual general meeting, to allot and issue Shares and/or Instruments in the Company. The aggregate number of Shares (including any Shares issued pursuant to Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed one hundred per cent. (100%) of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings). For issues of Shares other than on a pro-rata basis to all shareholders, the aggregate number of Shares to be issued shall not exceed fifty per cent. (50%) of Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any Instruments made or granted under this authority.
4. Rule 406(3)(d)(iii) of the Catalist Rules provides that a Director will not be independent if he has been appointed as a Director for an aggregate period of more than nine years and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and CEO of the Company, and their associates. The Company is seeking a two-tier shareholders’ approval for the continued appointment of Mr Tan Dah Ching as Independent Director for a three (3) year term, with effect from passing of the Resolutions until the conclusion of the third AGM of the Company following the passing of the Resolutions. Directors, CEO and their associates (as defined under the Catalist Rules) are required to abstain from voting on proposed Ordinary Resolution 8.

Ordinary Resolutions 7 and 8, if passed, will remain in force until the earlier of: (i) Mr Tan Dah Ching’s retirement or resignation as Director of the Company; or (ii) the conclusion of the third AGM of the Company following the passing of such Resolutions.

Mr Tan Dah Ching was appointed to the Board on 7 April 2014 and his 9-year tenure is due on 6 April 2023. The Board had proposed the continued appointment of Mr Tan Dah Ching as an Independent Director for purpose of Rule 406(3)(d)(iii) of the Catalist Rules. Mr Tan Dah Ching has proven commitment, experience and knowledge of the Company’s business which helps to facilitate sound decision-making. The Company continues to benefit from his active participation and contribution to the Board and Board committee deliberations. The Board is of the view that Mr Tan Dah Ching remains independent in character and judgement. His length of service does not in any way hinder his ability to act in the best interests of the Company. More importantly, the Board trusts that he is able to continue to discharge his duties independently with integrity and competency. Additionally, he fulfils the definition of Independent Directors of the Catalist Rules and the 2018 Code.

In reviewing the continued appointment, the Board has considered the current business environment, and imperative to have Directors who understand the business to be able to interact and work with Management continually through robust exchange of ideas and views presenting constructive feedback. This would facilitate strategic dialogues and decision-making for generating long-term values to various stakeholders.

If any of the resolutions for continued appointment of Mr Tan Dah Ching as an Independent Director of the Company under Ordinary Resolutions 7 and 8 is not passed, Mr Tan Dah Ching will be designated as Non-Independent Director effective 6 April 2023. The Company will endeavor to appoint new Independent Directors to comply with the requirements of Catalist Rules.

Notes: -

- (i) A member of the Company who is entitled to attend and vote at the AGM is entitled to appoint the “Chairman of the Annual General Meeting” as a proxy to vote in his/her stead. A proxy need not be a member of the Company.
- (ii) The instrument appointing a proxy must be signed and:
 - sent by means of electronic mail to agm@tshcorp.com.sg; or
 - deposited at the registered office of the Company at 315 Outram Road, #14-02 Tan Boon Liat Building, Singapore 169074.

not less than 72 hours before the time appointed for holding the meeting.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

A printed copy of this Notice will NOT be despatched to shareholders. Instead, this Notice will be sent to shareholders by electronic means via publication on the Company’s website at <https://tshcorp.com.sg/announcements/> and the SGXNet.

Important Notice on COVID-19

The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 as follows:

1. Conduct of the AGM

- 1.1 The Company's AGM for the financial year ended 31 December 2021 will be held via live audio-visual webcast (the "Live AGM Webcast") and live audio-only stream (the "Live AGM Audio Feed") on 29 April 2022 at 3.00 p.m. without physical AGM.
- 1.2 No physical attendance will be permitted for shareholders to attend the AGM.
- 1.3 Alternative arrangements for participation at the AGM is in place for shareholders to participate at the AGM by:
 - (a) observing and/or listening to the proceedings of the AGM through either the Live AGM Webcast or Live AGM Audio Feed;
 - (b) submitting questions in advance of the AGM; and/or
 - (c) appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM.

2. Pre-Registration for the Live AGM Webcast or Live AGM Audio Feed

- 2.1 Shareholders can pre-register for the Live AGM Webcast or Live AGM Audio Feed at https://us02web.zoom.us/webinar/register/WN_x4zrzXg8RGyWVMBkmc02ww no later than 3.00 p.m. on 26 April 2022.

Upon verification, the Company will provide authenticated Shareholders with an email by 5.00 p.m. on 27 April 2022 with instructions to watch the Live AGM Webcast and listen to the Live AGM Audio Feed of the AGM proceedings.
- 2.2 Shareholders must not forward the webcast and audio feed information to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the live webcast.
- 2.3 Shareholders who have registered by 3.00 p.m. on 26 April 2022 but have not received an email by 5.00 p.m. on 28 April 2022 should contact agm@tshcorp.com.sg or by telephone at (65) 6732 3452 for assistance.

3. Submit Questions in Advance

- 3.1 Please note that shareholders will not be able to ask questions during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for shareholders to submit their questions in advance of the AGM.
- 3.2 Shareholders may submit any questions related to the Agenda in the Notice of AGM by 3.00 p.m. on 20 April 2022 by:
 - Electronic mail to agm@tshcorp.com.sg; or
 - Mail to the registered office of the Company at 315 Outram Road, #14-02 Tan Boon Liat Building, Singapore 169074

A shareholder who wishes to submit their questions is required to indicate their full name (for individuals)/company name (for corporates), NRIC/Passport/Company Registration number, email address, contact number, shareholding type and number of shares held together with their submission of questions, to the email or office address provided above.

3.3 The Company will consider all the questions and endeavour to address all the substantial and relevant questions by 3.00 p.m. on 22 April 2022. The responses to such questions from shareholders will be posted on the SGXNet and the Company's website by 3.00 p.m. on 22 April 2022.

4. Proxy Voting

4.1 Shareholders will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Shareholders who wish to exercise their voting rights at the AGM would have to submit the proxy form appointing the Chairman of the AGM as their Proxy ("**Proxy Form**"). The Proxy Form is contained hereto.

4.2 Shareholders may submit the signed Proxy Form by 3.00 p.m. on 26 April 2022, being 72 hours before the time appointed for holding the AGM by:

(a) Electronic mail to agm@tshcorp.com.sg enclosing signed PDF copy of the Proxy Form; or

(b) Mail to the Company's address at 315 Outram Road, #14-02 Tan Boon Liat Building, Singapore 169074.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4.3 A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 3.00 p.m. on 20 April 2022, being seven (7) working days before the date of the AGM to submit his/her voting instructions to allow for sufficient time for their respective relevant intermediaries to in turn submit the proxy form to appoint the Chairman of the AGM to vote on their behalf. Such investors who wish to participate in the AGM by observing or listening to the AGM proceedings contemporaneously via the Live AGM Webcast or the Live AGM Audio Feed and/or submitting questions in advance of the AGM, are to follow the steps set out in paragraph 2 (Pre-Registration for the Live AGM Webcast or Live AGM Audio Feed), and 3 (Submit Questions in Advance).

4.4 A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her name appears on the Depository Register not less than 72 hours before the time of the AGM.

5. Annual Report

The 2021 Annual Report dated 12 April 2022 can be accessed at the Company's website at <https://tshcorp.com.sg/annual-reports/> or via the SGXNet.

6. Minutes

Minutes of the AGM will be provided within one (1) month after the AGM, which can be accessed at the Company's website at <https://tshcorp.com.sg/announcements/> and the SGXNet.

Shareholders are reminded not to congregate to watch the Live AGM Webcast or listen to the Live AGM Audio Feed and ensure that safe distancing measures are practiced and regulations and all government advisories are adhered to.

As COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take such precautionary measures as may be appropriate at the AGM, including any precautionary measures as may be required or recommended by government agencies or the Singapore Exchange Regulation from time to time, in order to minimise the risk of community spread of COVID-19. The Company may also be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check our corporate website at <https://tshcorp.com.sg/> or the SGXNet for updates on the AGM.

The Company seeks the understanding and co-operation of all shareholders to help minimise the risk of community spread of the virus.

Personal data privacy:

By (a) submitting an instrument appointing the "Chairman of the Annual General Meeting" as proxy to vote at the AGM and/or any adjournment thereof or (b) submitting any question prior to the AGM in accordance with paragraph 3 of the section "Important Notice on COVID-19" (the "**COVID-19 Notice**") or (c) submitting the pre-registration form in accordance with paragraph 2 of the COVID-19 Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of:

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the "Chairman of the Annual General Meeting" as proxy for the AGM (including any adjournment thereof);
- (ii) processing the pre-registration forms for purposes of granting access to members (or their corporate representatives in the case of members who are legal entities) to view the live webcast of the AGM proceedings and providing viewers with any technical assistance, where necessary;
- (iii) addressing selected questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Teo Kok Woon and Mr Tah Dah Ching are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2022 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (the “Catalist Rules”), the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules:

| | MR TEO KOK WOON | MR TAN DAH CHING |
|---|---|---|
| Date of Appointment | 11 August 2006 | 7 April 2014 |
| Date of last re-appointment | 26 June 2020 | 28 April 2021 |
| Age | 54 | 43 |
| Country of principal residence | Singapore | Singapore |
| The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process) | <p>In the re-election of Mr Teo Kok Woon (“Mr Teo”) as Non-Executive Non-Independent Director of the Company, the Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contributions to the Company and his performance, including attendance at meetings of the Board or Board Committees participations, candour and special contributions.</p> <p>The Board has reviewed and concluded that Mr Teo possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p> | <p>In the re-election of Mr Tan Dah Ching (“Mr Tan”) as Non-Executive Independent Director of the Company, the Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contributions to the Company and his performance, including attendance at meetings of the Board or Board Committees, participations, candour and special contributions.</p> <p>The Board has reviewed and concluded that Mr Tan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p> |
| Whether appointment is executive, and if so, the area of responsibility | Non-Executive | Non-Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Non-Executive Non-Independent Director, a member of Audit Committee, Nominating Committee and Remuneration Committee. | Non-Executive Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. |
| Professional qualifications | None | None |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | MR TEO KOK WOON | MR TAN DAH CHING |
|--|--|---|
| Working experience and occupation(s) during the past 10 years | Chairman of Cockpit International Pte. Ltd. and the Group Executive Director of Goodearth Realty Private Limited, which is his family business in hotel and property investment. | Since 2019: Capital Market Director of Elite Partners Capital Pte Ltd 2008 to 2013: Business Development Manager of Swissco Holdings Limited |
| Shareholding interest in the listed issuer and its subsidiaries | Mr Teo is deemed interested in 3,028,363 shares held by Cockpit International Pte Ltd and 25,382,303 shares held by UOB Kay Hian Private Limited as nominee of Mr Teo. | No |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | No | No |
| Conflict of Interest (including any competing business) | No | No |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |
| Other Principal Commitments* including Directorships Past (for the last 5 years) | Director of: Goodearth on Brougham Adelaide Pty Ltd Place on Brougham Pty Ltd Cockpit Development (Indonesia) Ltd Kuo Bin DMC Pte Ltd Plaxico Investments Ltd Tamarix Holdings Ltd Duncan Taylor & Co Holdings Ltd EZZI Living International Pte Ltd EZ Living (UK) Ltd Alwayseco Asia-Australia Pte Ltd | Director of: Elite Partners Capital Pte Ltd Elite Partners Holdings Pte Ltd Richz Technology (S) Pte Ltd |

*: Principal Commitments has the same meaning as defined in the 2018 Code.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | MR TEO KOK WOON | MR TAN DAH CHING |
|---------|---|--|
| Present | Director of: Goodearth Realty Private Limited Queen's Hotel International Pte Ltd Goodearth (AP) Pte Ltd Goodearth New Zealand Pte Ltd Cockpit Properties (Singapore) Pte Ltd Cockpit International Pte. Ltd. Hotel de L'Europe Pte Ltd Palm Royale Pte Ltd Goodearth Grenfell Pte Ltd Paddy Pte Ltd Vietsky Pte Ltd Goodearth Hotels NZ (Auckland) Ltd Goodearth Hotels Australia (Gold Coast) Pty Ltd Goodearth Hotels Australia (Cairns) Pty Ltd Gold Tower Management Services Pty Ltd Goodearth Hotels (Empire) Pty Ltd Goodearth Hotels Australia (Colonial Club) Pty Ltd Goodearth Hotels Management (Colonial Club) Pty Ltd Goodearth Land Holdings (Malaysia) Sdn Bhd Goodearth Properties (Ampang Hilir) Sdn Bhd Right Positive Sdn Bhd Cockpit Development Ltd Leadgroup Properties Ltd Leadgroup Enterprise Ltd Leadgroup Industrial LLC Leadgroup Residential LLC Leadgroup Leisure LLC Leadgroup Commercial LLC Cockpit Golf Resort Sdn Bhd Five Minutes Sdn Bhd Phix Holdings Pte Ltd Phix Investments Pte Ltd Phix Investments (Emerald Hill) Pte Ltd Phix Investments (Blair) Pte Ltd Phix Pte Ltd Phix Ventures Pte Ltd | Director of: Elite Commercial REIT Management Pte. Ltd. Elite Logistics Holdings Pte. Ltd. Jin Leng Investments Pte Ltd TKS Family Office Pte Ltd |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| MR TEO KOK WOON | MR TAN DAH CHING |
|---|------------------|
| <p>Phix Consulting Limited EZ Living Pte Ltd EZZI Living Solutions Sdn Bhd Termimesh (Singapore) Re Ltd Termimesh (Malaysia) Sdn Bhd Vivaverde International Pte Ltd Tambusu Holdings Ltd Goodearth Hotels Ltd Cockpit Hotel (London) Ltd Lillie Investments Ltd Kozan Investments Ltd FavorWell Ltd Strandline Investments Ltd JKF Capital Pte Ltd JKF Capital Sdn Bhd Worthy Heritage Sdn Bhd Bausum Assets Sdn Bhd First World Estates Sdn Bhd JTF Assets Sdn Bhd Foris Investments Pte Ltd Anthology Pte Ltd Sloshed! Pte. Ltd. TWS Pte. Ltd. Quaich Pte. Ltd. FOC Holdings Pte Ltd FOC Restaurants Pte Ltd FOC Sentosa Pte Ltd FOC Orchard Pte Ltd Momentos Events Pte Ltd Origen Trading Pte Ltd The Other Room Pte. Ltd. The Other Roof Pte. Ltd. Fotia Pte Ltd Fotia Siglap Pte Ltd Fotia Souvlaki Pte Ltd Casa Del Fuego Pte Ltd What's Pide (Singapore) Pte Ltd What's Pide (International) Pte Ltd Phix Residential Ltd Phix (Mercury House) Ltd Bletchley Developments Ltd Phix (Melbourne House) Ltd Melbourne Apartments Bedford Ltd Phix (Newmarket) Ltd M3 Investments Ltd Ravenswood Management Ltd Lunarich Holdings Pte Ltd Lunarich International Ltd Unique Beverages Sdn Bhd Guan Soon Development Pte Ltd The Emperor Hotel Sdn Bhd</p> | |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| MR TEO KOK WOON | MR TAN DAH CHING |
|--|------------------|
| <p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p> | |
| <p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p> | No |
| <p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p> | No |
| <p>(c) Whether there is any unsatisfied judgment against him?</p> | No |
| <p>(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</p> | No |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | MR TEO KOK WOON | MR TAN DAH CHING |
|--|-----------------|------------------|
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | MR TEO KOK WOON | MR TAN DAH CHING |
|---|-----------------|------------------|
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No |
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- | | |
| i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No |
| ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No |
| iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No |
| iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere | No | No |
| in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | | |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | MR TEO KOK WOON | MR TAN DAH CHING |
|--|-----------------|------------------|
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No |
| Disclosure applicable to the appointment of Director only | | |
| <p>Any prior experience as a director of a listed company? If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p> | N.A. | N.A. |

PROXY FORM

TSH CORPORATION LIMITED

(Company Registration No. 200003865N)

IMPORTANT:

1. The Annual General Meeting ("AGM") will be held by electronic means on Friday, 29 April 2022 at 3.00 p.m. pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means have been set out in the Notice of AGM dated 12 April 2022.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her proxy to attend, speak and vote on his/her behalf at the AGM if such member wishes to exercise his/her voting rights at the AGM.
3. For investors who have used their CPF monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. A CPF/SRS investor who wishes to vote should approach his/her respective CPF Agent Bank or SRS Operator by 3.00 p.m. on 20 April 2022, being seven (7) working days before the date of the AGM to submit his/her voting instructions.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2022.
6. Printed copies of the Notice of AGM and Proxy Form will not be despatched to shareholders. Instead, they have been made available to members on the Company's website <https://tshcorp.com.sg/aggm-and-egm/> and SGXNet.
7. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her behalf at the AGM.

*I/We _____ (Name) _____
(NRIC/Passport No./Company Registration No.)

of _____ (Address)

being *a member/members of TSH CORPORATION LIMITED (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting as *my/our proxy to attend and vote for or against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf, at the AGM to be held by electronic means on Friday, 29 April 2022 at 3.00 p.m. and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

| No. | Ordinary Resolutions | For** | Against** | Abstain** |
|--------------------------|---|-------|-----------|-----------|
| Ordinary Business | | | | |
| 1. | Adopt the Audited Financial Statements, Directors' Statement and Auditor's Report for the financial year ended 31 December 2021. | | | |
| 2. | Approval of Directors' fees of S\$80,000.00 for the financial year ended 31 December 2021 (2020: S\$72,000.00). | | | |
| 3. | Re-election of Mr Teo Kok Woon as a Director of the Company. | | | |
| 4. | Re-election of Mr Tan Dah Ching as Independent Director of the Company. | | | |
| 5. | Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration. | | | |
| Special Business | | | | |
| 6. | Authority to allot and issue shares pursuant to the Share Issue Mandate. | | | |
| 7. | Approval of the continued appointment of Mr Tan Dah Ching as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules. | | | |
| 8. | Approval of the continued appointment of Mr Tan Dah Ching as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules. | | | |

** Voting will be conducted by Poll. If you wish to exercise all your votes "For" or "Against", please indicate an "X" or "√" within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark "X" or "√" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this _____ day of _____ 2022.

Signature(s) of Member(s)/Common Seal

**Delete accordingly*

IMPORTANT. Please read notes overleaf

| Total number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

Notes:-

1. To minimise physical interactions and Covid-19 transmission risks, members will not be able to attend the AGM in person. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her proxy to attend, speak and vote on his/her behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The Chairman of the Meeting, as proxy, need not be a member of the Company.
2. The instrument appointing a proxy must be signed and:
 - Sent by means of electronic mail to agm@tshcorp.com.sg; or
 - Deposited at the registered office of the Company at 315 Outram Road, #14-02 Tan Boon Liat Building, Singapore 169074; by 3.00 p.m. on 26 April 2022, not less than 72 hours before the time appointed for holding the meeting.In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
3. A CPF/SRS investor who wishes to vote should approach his/her respective CPF Agent Bank or SRS Operator by 3.00 p.m. on 20 April 2022, being seven (7) working days before the date of the AGM to submit his/her voting instructions.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 815F of the Securities and Futures Act, (Cap 289)), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member of the Company may, in accordance with Section 179 of the Act, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
8. Please take note of the section "Important Notice on COVID-19" (the "COVID-19 Notice") in the Notice of AGM dated 12 April 2022.

General:

The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject an instrument of proxy lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time set for holding the AGM.

Personal data privacy:

By (a) submitting an instrument appointing the "Chairman of the Annual General Meeting" as proxy to vote at the AGM and/or any adjournment thereof or (b) submitting any question prior to the AGM in accordance with paragraph 3 of the COVID-19 Notice or (c) submitting the pre-registration information in accordance with paragraph 2 of the COVID-19 Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of:

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the "Chairman of the Annual General Meeting" as proxy for the AGM (including any adjournment thereof);
- (ii) processing the pre-registration forms for purposes of granting access to members (or their corporate representatives in the case of members who are legal entities) to view the Live AGM Webcast or listen to the Live AGM Audio Feed of the AGM proceedings and providing viewers with any technical assistance, where necessary;
- (iii) addressing selected questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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1st fold here

Please
affix
postage
stamp

The Company Secretary
TSH CORPORATION LIMITED
315 Outram Road
#14-02 Tan Boon Liat Building
Singapore 169074

.....
2nd fold here

.....
3rd fold here and seal



TSH Corporation Limited

315 Outram Road, #14-02 Tan Boon Liat Building, Singapore 169074

Company Registration No: 200003865N