ANNUAL REPORT. 2019

TSH Corporation Limited

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**") had on 7 February 2019 completed the reverse takeover of Sloshed! Pte Ltd, which is in the business of (i) operating a multi-concept chain of pubs and bars, and (ii) the import and distribution of spirits and wines. The business was first founded under The Whisky Store in November 2005 to bring predominantly single malt Scotch whiskies from the United Kingdom to Singapore.

Today, with a focus on premium whiskies and cocktails, we are operating five outlets covering four distinct concepts, namely, Quaich Bar, The Other Room, The Other Roof and Copper (formerly known as The Copper Plate).

(a) Quaich Bar

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 which remains a symbol of welcome and friendship in Scotland.

Quaich Bar provides a relaxed environment, suitable for friendly gatherings, networking and whisky appreciation. Each *Quaich Bar* stocks more than 200 different whisky labels with an emphasis on boutique single malt Scotch whiskies, and a sizeable range selection of world whiskies including American, Irish, Indian, Japanese, South African and Taiwanese whiskies. Light refreshments and other alcoholic beverages such as beer, wine and other spirits are also offered.

The outlets emphasise attentive, personalised service and promotion of whisky knowledge. Whisky ambassadors at each outlet are skilled in identifying customers' preferences and make suitable recommendations. To promote whisky knowledge and appreciation in Singapore, the outlets regularly conduct whisky tasting sessions and pairing events. Customers may also purchase bottles of whisky and keep them at the outlets for consumption in subsequent visits. Retail sales of single malt Scotch whiskies and other spirits, wines and liquors are also carried out at the outlets.

QUAICH BAR
WHISKY HOUSE – SINGAPORE
EST. 2007

The first Quaich Bar was opened at Waterfront Plaza in 2007 and was Singapore's first dedicated whisky concept and remains an industry leader today.

quaichbar.com.sg quaichbar_singapore / quaichbar_southbeach

The second Quaich bar was opened at South Beach Avenue in 2016.

12th Anniversary bottling

In 2019, *Quaich Bar* celebrated its 12th Anniversary, which was commemorated with the exclusive bottling of a 12YO Craigellachie sherry cask whisky, adding to the long list of exceptional bottles that have been exclusively bottled for *Quaich Bar*. Hand-numbered and highly collectible, this cask was entirely sold out save for some strategic reserves.

(b) The Other Room

The Other Room 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 Other Room also finishes spirits with spices, roots, teas, herbs, fruits, barks and coffee to obtain uniquely balanced flavour combinations. In addition to cask-finished spirits or cocktails, the outlet also offers light refreshments and conventional alcoholic beverages including whisky, rum, champagne, wine and beer. The outlet provides customers with friendly service, uniquely crafted drinks, quality food, good music and a relaxing environment, which is reflected in its continued success in the Asia's 50 Best Bars ranking. The outlet also regularly hosts renowned bartenders from around the world to provide different and memorable experiences for customers.

The Other Room was opened at Marriott Tang Plaza Hotel in 2016.

theotherroom.com.sg theotherroomsg

(c) The Other Roof

The Other Roof 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. The outlet offers customers over 400 in-house tea-finished spirits and other alcoholic beverages including champagne, wine, non-alcoholic tea beverages as well as light refreshments. Tea leaves sourced from across the globe are also available for sale at this outlet.

THE OTHER ROOF

The Other Roof was opened at Ann Siang Hill in 2018.

theotherroof.com theotherroofsg

(d) Copper

Copper is a whisky-themed café bar oriented to a younger whisky drinking audience. The name is inspired by the properties of copper, which is highly malleable and ductile, reflecting the creative concept of the bar, but is also stable and enduring, reflecting its commitment to quality and service. With the tagline "A Whisky Playground" and 100 whiskies from around the world, the outlet is a more casual establishment compared to Quaich Bar, and the menu emphasises whisky cocktails and carafe serves rather than just neat whisky by the glass or bottle.

In 2019, we launched three 'Infinity casks' utilising stocks that we have curated over the years, allowing us to provide bespoke and highly giftable bottles to our clientele.

We have also added Whisky Highball Draught and outdoor seating at Copper, and collocated it as a physical store front with emphasis on Cadenhead bottlings in the first quarter of 2020.

Copper

Copper was opened at Lanson Place in 2018.

copper_lansonplace

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.

In 2019, our investment in the distribution has allowed us to penetrate into highly influential and award-winning bars in the market, and we hope that this will be another stream of our main revenue source in the future.

Listing bottling

whiskystore.com.sg / smws.sg

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. In 2019, in addition to the bottling for *Quaich Bar*'s 12th Anniversary, we also celebrated the listing with a highly limited commemorative bottling from our Infinity Cask range at Copper.

In addition, 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.

A major initiative in 2019 was the creation of Whisky Journey with the first show planned to be held in May 2020. It is designed to be the biggest and most vibrant whisky show in Singapore with the aims to drive distribution and retail sales for the exhibitors, increase our engagement with the domestic whisky ecosystem, provide a stage to build awareness of our whisky outlets, and to deepen our whisky legacy in Singapore. However, this has been postponed to the second half of 2020 as a result of the ongoing developments of COVID-19 pandemic.

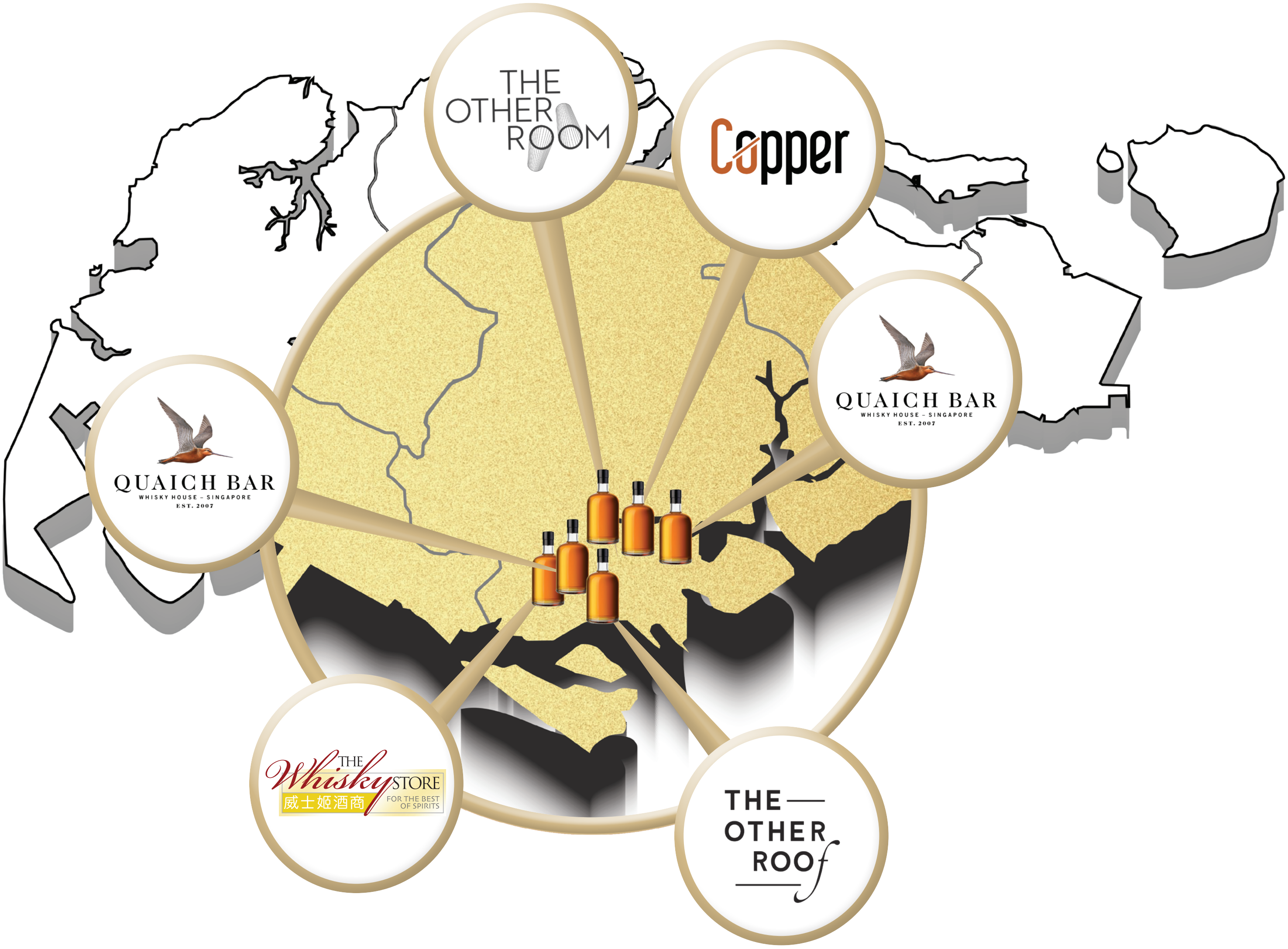
Over the years, our outlets have won several awards and accolades which include:

Year	Awards and Accolades	Awarded by
2006	Great Whisky Bar of the World	Whisky Magazine
2010	Top 10 Best Unique Bars	Epicure
2017	Asia's 50 Best Bars 2017	World's 50 Best Bars
2018	Asia's 50 Best Bars 2018	World's 50 Best Bars
2018	The World's Best Bars 2018 (50-100 List)	World's 50 Best Bars
2019	Asia's 50 Best Bars 2019	World's 50 Best Bars

OUR PRESENCE

- As at 31 December 2019

SINGAPORE



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

COPPER
167 Penang Road,
#01/02/03 Lanson Place
Singapore 238462

THE OTHER ROOF
28 Ann Siang Rd
Singapore 069708

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

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

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

TSH Corporation Limited

- Sloshed! Pte. Ltd. 100%
  - TWS Pte. Ltd. 100%
  - Planet Spirits Pte. Ltd. 100%
  - The Other Room Pte. Ltd. 100%
  - Quaich Pte. Ltd. 100%
  - The Other Roof Pte. Ltd. 100%
  - Timber Malt Pte. Ltd. 20%

FINANCIAL HIGHLIGHTS

REVENUE

INCREASED 18.6% YoY

S$7.80 million in FY19

PROFIT FOR THE YEAR

INCREASED 54.5% YoY

S$0.60 million in FY19

EARNINGS PER SHARE

INCREASED 15.1% YoY

1.37 cents for FY19

NET ASSETS VALUE PER SHARE

INCREASED 77.4% YoY

19.76 cents as at 31 Dec 2019

CASH PER SHARE

12.98 cents as at 31 Dec 2019

3.04 cents as at 31 Dec 2018

	2019	2018	2017
Income Statement (S$'000)			
Revenue	**7,802**	6,578	5,104
Gross profit	**5,849**	4,798	3,668
Profit before tax	**565**	467	1,201
Profit for the year	**596**	385	1,065
Balance Sheet (S$'000)			
Plant and equipment	**892**	1,224	616
Right-of-use assets	**2,198**	–	–
Inventories	**3,181**	2,800	2,565
Cash and bank balances	**5,756**	983	878
Other assets	**910**	853	842
Total assets	**12,937**	5,860	4,901
Equity	**8,766**	3,603	1,763
Borrowings	**–**	50	100
Other liabilities	**4,171**	2,207	3,038
Total equity and liabilities	**12,937**	5,860	4,901
Financing Ratios			
Earnings per share - basic (cents)	**1.37**	1.19	3.29
Net assets value per share (cents)	**19.76**	11.14	5.45
Cash per share (cents)	**12.98**	3.04	2.72
Gearing ratio (times)	**n.m.**	0.23	0.54
Return on Equity (%)	**6.8%**	10.7%	60.4%
Return on total assets (%)	**4.6%**	6.6%	21.7%

n.m.: not meaningful

MESSAGE TO SHAREHOLDERS

"While we are pleased with the performance for 2019, we recognise the need for growth, and are mindful of the impact of COVID-19 on our businesses."

Dear Shareholders,

It is our pleasure to present, on behalf of the Board, to you the inaugural annual report of TSH Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") for the financial year ended 31 December 2019 ("**FY19**"), following our successful completion of the reverse takeover transaction from a cash company and the entry into the business of pubs and bars operations, import, export and distribution of spirits and wines. FY19 will always be a memorable milestone for us as we worked hard to integrate and stabilise the new platform. This now puts us on a good footing to pursue future expansion plans. Indeed, it is a reason for us to celebrate it with a limited commemorative bottling from our Infinity Cask range.

FINANCIAL HIGHLIGHTS

The Group reported a profit after tax of S$0.60 million in FY19, an increase of 54.5% from a year ago, due mainly to the increase in revenue of 18.6% to S$7.80 million for FY19. The increase in revenue was contributed mainly by the 2 new outlets, The Other Roof and Copper, which commenced operations in the last quarter of 2018. This was moderated by higher general and administrative expenses and other operating expenses of S$1.07 million incurred during the year due mainly to the higher staff and compliance costs incurred to support the Group and the 2 new outlets, but moderated by a decrease in professional fees and expenses incurred in relation to the reverse takeover transaction of S$0.39 million.

As at 31 December 2019, the Group notes a healthy balance sheet with a net asset position of S$8.77 million, which is made up of mainly cash and bank balances of S$5.76 million, inventories of S$3.18 million, and plant and equipment of S$0.89 million and moderated mainly by trade and other payables of S$1.66 million.

DIVIDEND

The Board has decided not to propose any dividend for the year to preserve its cash resources in the light of a more challenging business environment arising from COVID-19 situation and at the same time, giving enough flexibility to pursue strategic business opportunities to generate long term and sustainable cash flows and profits for the Group.

PROSPECTS

The Group is conscious of the continuing cost pressures on labour and rental that it is facing in Singapore. The headwinds of the trade tensions, the weak business sentiments and the protest in Hong Kong were slowing the Group's expansion plan in the market and the region in 2019. Now, the outbreak of COVID-19 pandemic has added a tremendous challenge to the businesses and growth plan of the Group.

The measures implemented by the Singapore Ministry of Health to minimise further spread of COVID-19, which took effect from 26 March 2020, 2359 hours, have resulted in the closure of certain of our outlets until 30 April 2020 and it may be extended if situation does not improve. At this stage, we are unable to determine the extent of the financial impact on the businesses and will monitor the evolving situation and make the appropriate announcement(s) as and when there are material developments.

The Group will focus on resilience in managing its businesses while prioritising the well-being of all our employees and customers, and to navigate its footprints in the region judiciously amidst COVID-19 pandemic.

ACKNOWLEDGEMENT

On behalf of the Board, we would like to take this opportunity to express our gratitude to our customers, business partners and shareholders for their supports and continued confidence in the Company. We would also like to express our heartfelt appreciation to the staff and management team for their dedication, commitment, loyalty, and hard work.

Last but not least, we would like to thank our fellow directors for their active board deliberations, guidance and advice.

We look forward to the continued and unwavering support of each and every one of you in the year ahead.

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

Chua Khoon Hui
Chief Executive Officer and
Executive Director

BUSINESS REVIEW

BACKGROUND

TSH Corporation Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") were formed pursuant to a reverse takeover (the "**RTO**") by Sloshed! Pte. Ltd. ("**Sloshed**" and together with its subsidiaries, "**Sloshed Group**") which was completed on 7 February 2019. Prior to the completion of the RTO, Sloshed undertook a restructuring exercise for the purposes of consolidating interests of The Other Room Pte. Ltd. ("**ROOM**") and The Other Roof Pte. Ltd. ("**ROOF**"), which are in the same business, under Sloshed. Please refer to the Company's circular dated 31 December 2018 for further details of the RTO and the restructuring exercise.

The principal activity of the Company and Sloshed is that of an investment holding company. Sloshed Group is principally engaged in the business of operating a multi-concept chain of pubs and bars, and import and distribution of spirits and wines.

<u>Group Level</u>
Following the completion of the RTO, the Company's wholly-owned subsidiary, Sloshed, is deemed as the accounting acquirer that has acquired the Company (the accounting acquiree) for accounting purposes.

Accordingly, the consolidated financial statements of the Group for the financial year ended 31 December 2019 ("**FY19**") have been presented as a continuation of Sloshed Group's financial results and operations, in accordance with the following:

1) The assets and liabilities of Sloshed Group are recognised and measured in the consolidated statement of financial position at their pre-acquisition carrying amount;

2) The assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position at their acquisition-date fair value;

3) The revenue reserve and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of Sloshed Group immediately before the RTO;

4) The amount recognised in the issued equity interest in the consolidated financial statements is computed by adding the issued equity of Sloshed immediately before the RTO to the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements (ie. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the combination; and

5) The comparative figures in these consolidated financial statements are those of the consolidated financial statements of Sloshed Group.

Following the completion of the RTO, the principal businesses of the Group are those of Sloshed Group. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 3 - "Business Combinations", but it does not result in the recognition of goodwill, as the Company was deemed as a cash company under Rule 1017 of the Catalist Rules and did not meet the definition of a business as set out in SFRS(I) 3. Instead, such transaction falls within the scope of SFRS(I) 2 "Share-based Payment", which requires the shares deemed issued by the legal subsidiary (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets represents a "service" received by the legal subsidiary, Sloshed, which is recognised as an expense or income in the statement of comprehensive income.

Sloshed Group Level

Following the completion of the restructuring exercise, Sloshed Group, comprising Sloshed and its subsidiaries and ROOM and ROOF, was accounted for using the pooling-of-interest method. Under this method, assets and liabilities are brought into the consolidated financial statements of Sloshed at their existing carrying amounts from the perspective of the controlling party and the consolidated statement of comprehensive income includes the results of the acquired entities since the earliest date the entities are under common control.

As such, the comparative financial performance of Sloshed Group for the corresponding financial year ended 31 December 2018 ("**FY18**") includes the financial performance of ROOM and ROOF for FY18 and the financial position of Sloshed Group as at 31 December 2018 includes the financial positions of both ROOM and ROOF as at 31 December 2018.

OVERALL

Income Statement

Revenue

The revenue of the Group increased by S$1.22m or 18.6% from S$6.58m in FY18 to S$7.80m in FY19 due mainly to the contribution of the new outlets (The Other Roof and Copper) that commenced operations in last quarter of FY18.

Gross Profit and Margin

The gross profit of the Group increased by S$1.05m or 21.9% from S$4.80m in FY18 to S$5.85m in FY19 due mainly to higher revenue and a slight improvement in gross margin from 72.9% in FY18 to 75.0% in FY19. The higher gross margin in FY19 was attributed mainly to the increase in sales of items with better margin.

Other Income

The other income increased by S$0.21m from S$0.13m in FY18 to S$0.33m in FY19 due to the gain on reverse acquisition of S$0.25m recognised in FY19 as the fair value of the Company's identifiable net assets was higher than the market value of the Company at completion of the RTO, but this was moderated by absence of service income in FY19 (FY18: S$0.07m).

Administrative Expenses
The administrative expenses increased by S$0.38m or 11.0% from S$3.48m in FY18 to S$3.86m in FY19 due mainly to higher staff costs and compliance costs incurred to support the Group and the new outlets, but moderated by lower operating lease expenses as a result of the adoption of SFRS(I) 16.

Marketing and Distribution Expenses
The marketing and distribution expenses increased by S$0.03m or 21.7% from S$0.15m in FY18 to S$0.18m in FY19 due mainly to the marketing expenses incurred for the new outlets and the public relation expenses incurred for the Group.

Finance Costs
The finance costs increased by S$0.06m in FY19 due mainly to the recognition of interest on lease liabilities of S$0.06m as a result of the adoption of SFRS(I) 16.

Other Operating Expenses
The other operating expenses increased by S$0.69m or 83.6% from S$0.82m in FY18 to S$1.51m in FY19 due mainly to the amortisation of right-of-use assets of S$0.98m (FY18: S$Nil) as a result of the adoption of SFRS(I) 16 and higher depreciation of S$0.09m attributed mainly to the new outlets, but partially offset by lower professional fees and expenses in relation to the reverse acquisition of S$0.39m.

Profit Before Taxation
The increase in profit before taxation of S$0.10m or 20.9% from S$0.47m in FY18 to S$0.57m in FY19 was in line with the increase in gross profit and other income, but moderated by higher expenses mentioned above.

Income Tax
The income tax credit of S$0.03m was recognised despite a profit reported due mainly to the tax rebates and exemptions, income that was not taxable and the recognition of deferred tax assets in relation to the unabsorbed losses of the new outlets that have not turned around.

Profit For the Year
As a result of the above, the Group reported an increase in profit of S$0.21m from S$0.39m in FY18 to S$0.60m in FY19.

BALANCE SHEET

Non-Current Assets
The non-current assets increased by S$1.99m from S$1.54m as at 31 December 2018 to S$3.53m as at 31 December 2019 due to the recognition of right-of-use assets of S$2.20m as a result of the adoption of SFRS(I) 16, the increase in deferred tax assets of $0.10m, attributed mainly to the difference between tax and accounting treatment on depreciation of plant and equipment and the unabsorbed losses recognised, and the intangible assets of S$0.03m in relation to software purchased, but moderated by the decrease in plant and equipment of S$0.33m due mainly to the depreciation charge in FY19.

Current Assets
The current assets increased by S$5.09m from S$4.32m as at 31 December 2018 to S$9.41m as at 31 December 2019 due to the increase in cash and bank balances of S$4.77m and the increase in inventories of S$0.38m due mainly to the duties paid for more goods withdrawn from bonded warehouses and the purchase of more variety of stocks. This was moderated by the decrease in trade and other receivables of S$0.07m due mainly to faster collections from customers.

Current Liabilities
The current liabilities increased by S$0.61m from S$2.13m as at 31 December 2018 to S$2.73m as at 31 December 2019 due to the recognition of lease liabilities of S$0.95m as a result of the adoption of SFRS(I) 16, but this was moderated mainly by the decrease in trade and other payables of S$0.17m attributed mainly to the payment of professional fees and expenses in relation to the RTO, decrease in income tax payable due to payment of income tax, and the repayment of borrowing.

Non-Current Liabilities
The non-current liabilities increased by S$1.31m from S$0.13m as at 31 December 2018 to S$1.44m as at 31 December 2019 due to the recognition of lease liabilities of S$1.31m as a result of the adoption of SFRS(I) 16.

STATEMENT OF CASH FLOWS

Operating Activities
The Group reported net cash generated from operating activities of S$0.75m contributed by the operating cash flows before changes in working capital of S$1.74m and the decrease in trade and other receivables of S$0.09m, but moderated mainly by the increase in inventories of S$0.38m, decrease in trade and other payables and contract liabilities of S$0.53m and income taxes paid of S$0.17m.

Investing Activities
The net cash flows generated from investing activities of S$2.02m was contributed mainly by net cash inflow from reverse acquisition of the Company of S$5.20m but moderated mainly by the placement of fixed deposits of S$3.02m and payments for the purchase of the plant and equipment of S$0.14m.

Financing Activities
The net cash flows used in financing activities of S$1.02m was attributed to the payments of lease liabilities of S$0.97m and the repayment of borrowing of S$0.05m.

Cash and Cash Equivalents
Therefore, overall cash and cash equivalents increased by S$1.75m from S$0.98m as at 31 December 2018 to S$2.73m as at 31 December 2019.

The Group endeavours to monitor the operational costs tightly and improve the performance of The Other Roof and Copper amidst the headwinds of COVID-19 and weak market sentiment.

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	25 April 2019
Present directorships in other listed companies	Koufu Group Limited
Past directorships in other listed companies (within the last 5 years)	Nil
Other principal commitments	Lead Independent Director of Koufu Group Limited Director of Storck Bicycle (Asia Pacific) Pte. Ltd.

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 and 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 as 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 Holdings 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 March 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 is the lead independent director of Koufu Group Limited, a company listed on the Mainboard 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	Nil
Present directorships in other listed companies	Nil
Past directorships in other listed companies (within the last 5 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, the Head of Human Resources and Administration 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	25 April 2019
Present directorships in other listed companies	Nil
Past directorships in other listed companies (within the last 5 years)	Nil
Other principal commitments	Executive director of Elite Partner Capital Pte Ltd

Mr. Tan has over 15 years of experience in Corporate Finance. He is currently an executive director of Elite Partner Capital Pte Ltd ("**EPC**"), where he manages the capital markets and fundraising functions. Mr Tan was managing his own portfolio of investments before joining EPC in 2019, and he was a Business Development Manager at Swissco Holdings Limited in charge of corporate finance activities from 2008 to 2013. Prior to that, he worked as an Investment Manager at Kim Seng Holdings Pte Ltd from 2006 to 2008 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	25 April 2017
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 25 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 Sloshed! Pte Ltd in February 2019. Prior to that, Mr Ng was with the assurance & 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.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the "**Board**" or "**Directors**") of TSH Corporation Limited (the "**Company**") is committed to maintain 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 "**Shareholders**").

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.

At the extraordinary general meeting held on 25 January 2019, the Shareholders have approved, amongst others, the proposed acquisition of the entire issued share capital of Sloshed! Pte Ltd (the "**Acquisition**"), the proposed share consolidation of every twenty (20) existing shares into one (1) consolidated share and the proposed allotment and issue of an aggregate of 32,333,333 ordinary shares in satisfaction of the purchase consideration for the Acquisition (the "**RTO**"). Accordingly, the conditions for the completion of the Acquisition have been fulfilled and the RTO was completed on 7 February 2019.

This report of corporate governance summarizes the practices of the 2018 Code after the RTO completed on 7 February 2019. The Board confirms that the Company had, for the financial year ended 31 December 2019 ("**FY19**"), 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 company.

<u>Provision 1.1 – Principal functions of the Board</u>

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 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 and the Directors. Should any conflict of interest arise during the meeting, the particular Director is to disclose his interest and recuse from the discussions and decisions involving the issues of conflict.

A. BOARD MATTERS - *continued*

Provision 1.1 – Principal functions of the Board - *continued*

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.

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 newly-appointed Director upon his/her appointment explaining his/her duties and obligations as a director. New Directors, upon appointment, will also be briefed on the Group's business and governance practices. After the RTO, Mr Chua Khoon Hui ("**Mr Chua**"), Chief Executive Officer ("**CEO**") and Executive Director, briefed the Directors about the businesses and shared the value he intends to create for stakeholders. The other Directors provided their views and perspectives for strategy development.

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. Mr Chua, who had no prior experience as a director of listed company in Singapore, had attended all the necessary courses on Listed Company Essentials by the Singapore Institute of Directors.

Provision 1.3 – Matters requiring Board 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.

A. BOARD MATTERS - *continued*

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 FY19, 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.

The number of Board meetings and Board Committee meetings held in FY19 up to 31 March 2020 and the attendance of each Board member at those meetings are as follows:

Attendance Record of the Board and Board Committee Meetings

	Board		Audit Committee		Remuneration Committee		Nominating Committee	
Directors	#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	4	4	3	3	3	3	2	2
Chua Khoon Hui [(1)]	3	3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Tan Dah Ching	4	4	3	3	3	3	2	2
Teo Kok Woon	4	2	3	1	3	2	2	2

N.A.: Not Applicable

No. of meetings held whilst a member.
(1) Mr Chua was appointed as Chief Executive Officer and Executive Director on 7 February 2019.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

Provision 1.6 – Access to information

The Board received 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 is provided with timely, adequate and complete information. 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.

A. BOARD MATTERS - *continued*

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

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.

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 FY19, the Directors were provided with updates on changes in the relevant laws, regulations and Singapore Financial Reporting Standards (International) by the external auditors 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, which will take effect 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 dominates 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. BOARD MATTERS - *continued*

Provision 2.1 – Board Independence - *continued*

(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; or
(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.

Each of the independent Directors has confirmed that they and their respective associates do not have any employment 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 FY19 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)
Chua Khoon Hui	(Chief Executive Officer and Executive Director) (Appointed on 7 February 2019)
Tan Dah Ching	(Non-Executive Independent Director)
Teo Kok Woon	(Non-Executive Non-Independent Director)

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.

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*

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.

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 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, lead 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

The roles of the Chairman of the Company and the CEO were separate and their responsibilities were clearly defined to ensure an appropriate balance of power and authority within the Company.

Dr Yu Lai Boon ("**Dr Yu**") was appointed as the Non-Executive Chairman on 16 November 2018. As the Chairman of the Company, Dr Yu is responsible for, among others, leading the Board to ensure its effectiveness on all aspects of its role, setting the agenda and ensuring that adequate time is available for discussion of all agenda items, promoting a culture of openness and debate at the Board, exercising control over the quality, quantity and timeliness of the flow of information between Management and the Board, ensuring effective communication with the Shareholders encouraging constructive relations within the Board and between the Board and Management, facilitating the effective contribution of non-executive Directors and promoting high standards of corporate governance. The Board continues to be responsible for the overall strategic initiatives and directions of the Group.

Mr Chua was appointed as the CEO and Executive Director upon completion of the RTO on 7 February 2019. He 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.

Upon Mr Chua's appointment, the roles of the Chairman and CEO were separated to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The responsibilities of the Chairman and CEO are clearly defined above to ensure an appropriate balance of power and authority within the Company.

A. BOARD MATTERS - *continued*

Provision 3.3 – Lead Independent Director

There is a balance of power in the Board with each Board Committee chaired and led by independent Directors. 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 met regularly without the presence of other Directors. Independent Directors are available to the 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:

Tan Dah Ching	(Chairman)
Teo Kok Woon	(Member)
Dr Yu Lai Boon	(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 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;

(d) Determines the independence of the Board;

(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.

Provision 4.3 – Board Renewal

During FY19, the NC performed the aforementioned activities. The NC will review succession plan 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.

A. BOARD MATTERS - *continued*

Provision 4.3 – Board Renewal - *continued*

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 Chua will be retiring pursuant to Regulation 107 of the Constitution. Mr Teo and Mr Chua, 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 Chua be nominated for re-appointment at the forthcoming AGM. In making their recommendations, the NC evaluated contributions of Mr Teo and Mr Chua 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 Chua can be found in the "Board of Directors" section of the annual report.

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 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 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 Directors, namely Mr Tan Dah Ching ("**Mr Tan**") and Dr Yu Lai Boon ("**Dr Yu**") 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 the independent business judgement of Mr Tan and Dr Yu with a view to the best interests of the Group or which would deem him not to be independent. Mr Tan and Dr Yu had abstained from deliberations in respect of assessment of their own independence.

A. BOARD MATTERS - *continued*

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 the date of this Report, the number of listed company directorships and principal commitments held by the Directors is within the maximum limit.

The NC, together with the Board, is satisfied that the Directors have discharged their duties diligently, given that sufficient time, attention, resources and expertise has 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.

Please refer to the "Board of Directors" section in 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 FY19, 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.

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 Board has not engaged any external consultant to conduct an assessment of the performance of the Board, Board Committees and each individual Director for FY19. 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	(Chairman)
Tan Dah Ching	(Member)
Teo Kok Woon	(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 key management personnel (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 key management personnel; and

(c) to consider long-term incentives schemes for Executive Directors and key management personnel and review their eligibility for benefits under the schemes.

In FY19, the RC has duly performed the aforementioned activities.

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 the Shareholders at the AGM.

Provision 6.4 – Remuneration consultant

No remuneration consultants were engaged by Company in FY19.

B. REMUNERATION MATTERS - *continued*

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 Director and KMPs

In setting the remuneration packages of the Executive Director and key management personnel, the RC ensures that remuneration packages of the Executive Director and key management personnel 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 key management personnel is structured to link rewards to corporate and individual performance, whereby the performance-related remuneration is aligned with the interests of the 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 key management personnel 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.

In connection with the RTO, 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 upon completion of the RTO 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. 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 key management personnel 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.

Provision 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 key management personnel 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.

B. REMUNERATION MATTERS - *continued*

Provision 7.3 – Long Term incentives - *continued*

The Group does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from the Executive Director and key management personnel 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

A breakdown of the level and mix of remuneration paid/payable to each Director and key management personnel in remuneration bands of S$250,000 for FY19 are as follows:

(a) Directors

Remuneration band	Fee %	Salary %	Bonus %	Other Benefits %	Total %
Below S$250,000					
Dr Yu Lai Boon	100[a]	—	—	—	100
Chua Khoon Hui [(1)]	—	100	—	—	100
Teo Kok Woon	—	—	—	—	—
Tan Dah Ching	100[a]	—	—	—	100

(1) Mr Chua was appointed as Chief Executive Officer and Executive Director on 7 February 2019.

Notes: - *The Directors' fees is subject to approval by the Shareholders at the forthcoming AGM.*
- *Provision 8.1 of the 2018 Code recommends that the Company should disclose the names, amounts and breakdown of remuneration of each individual Director and the CEO.*

The Company does not think it is in the interest 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. There are no termination, retirement and post-employment benefits that may be granted to the Directors.

(b) Key Management Personnel

Remuneration band	Fee %	Salary %	Bonus %	Other Benefits %	Total %
Below S$250,000					
Ng Kim Chew	—	100	—	—	100

Note: Provision 8.1 of the 2018 Code recommends disclosure of remuneration of the top five (5) key management personnel (who are not Directors or the CEO) on a named basis and in bands of S$250,000.

B. REMUNERATION MATTERS - *continued*

Provision 8.1 – Disclosure of remuneration - *continued*

(b) Key Management Personnel - *continued*

The Company only has one (1) key management personnel who is not a Director or the CEO.

The Company has disclosed its key management personnel's remuneration in bands of S$250,000 as well as a breakdown in percentage terms. There are no termination, retirement and post-employment benefits that may be granted to the key management personnel.

As the Company only has one (1) key management personnel 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 key management personnel.

Provision 8.2 – Remuneration of related employees

Ms Ng Pei Wah, the Head of Human Resources and Administration of the Group, is the spouse of Mr Chua, CEO and Executive Director. Her remuneration for FY19 is in the bands of S$150,001 to S$200,000. The remuneration of such employee 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 schemes 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 was tasked to review all significant control policies and procedures and highlight all significant matters to the AC and the Board.

C. ACCOUNTABILITY AND AUDIT - *continued*

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

For the financial year under review, the CEO and Group CFO have provided assurance to the Board on (i) 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) 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.

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 systems (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	(Chairman)
Tan Dah Ching	(Member)
Teo Kok Woon	(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.

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

(a) reviewing the half-year and full year 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 FY19, the AC met two (2) times. Details of the members' attendance at AC meetings in FY19 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 performed the following functions in FY19:

(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.

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

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*

(a) External Auditors - *continued*

FY19 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 a Key Audit Matter ("**KAM**") which had been included in the Independent Auditor's Report for FY19.

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 to 31 December 2019 amounted to S$102,130 and S$4,600 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 FY19, 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 Ernst & Young LLP as the Company's external auditors at the forthcoming AGM.

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

(b) Review of financial statements

For FY19, the AC reviewed the half-year and full year financial statements of the Group, including announcements relating thereto, to the Shareholders and the SGX-ST.

(c) Review of interested person transactions and material contracts

The Company does not have a general mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

In FY19, the Company entered into a contract to purchase the entire share capital of Sloshed! Pte Ltd for a purchase consideration of S$19.4 million from the vendors, of which two (2) of them are Mr Teo and Mr Chua. The purchase consideration of the Acquisition, which was completed on 7 February 2019, was satisfied by the allotment and issue of 32,333,333 ordinary shares of the Company at the issue price of S$0.60 for each ordinary share. Other than the aforementioned and the Service Agreement entered into between the Company and Mr Chua on 21 December 2018 which took effect upon the completion of the RTO, there were no material contracts entered into by the Group involving the interests of the Directors or controlling shareholders for FY19.

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.

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) 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 LLP. The primary reporting line of the internal auditor is to the AC and the AC decides on the appointment, evaluation, termination and remuneration of the internal auditors. The internal auditor has 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 LLP 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 is 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 review during FY19 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 internal audit 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 FY19, 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 the 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 the 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

The 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. The Shareholders are also informed of the rules and voting procedures

D. SHAREHOLDER RIGHTS AND ENGAGEMENT - *continued*

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

governing such meetings. Notice of the AGM is despatched to the 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. The Board welcomes questions from the Shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings of the Company. The Chairmen 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 the 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 the 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, Chapter 50, 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 the 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, the Shareholders' approval will be obtained.

Provision 11.5 – Minutes of general meetings

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

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 the 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 growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT - *continued*

Engagement with Shareholders

Principle 12 : The Company communicates regularly with its Shareholders and facilitates the participation of the Shareholders during general meetings and other dialogues to allow the 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 the 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 the Shareholders other investors, analysts, the media, the public and its employees.

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 allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with the Shareholders and the mechanism through which the 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 the Shareholders as set out above is in line with the intention of Principle 12. Further, the 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, the 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.

E. MANAGING STAKEHOLDERS RELATIONSHIPS - *continued*

Provisions 13.1, 13.2 and 13.3 – Stakeholder engagement - *continued*

Notwithstanding that the Company has not issued its sustainability report, the Company remains committed to staying abreast of new trends or developments that may affect the sustainability standing of the Group, and eventually devise corresponding measures to resolve ESG issues.

As the Company had completed its RTO on 7 February 2019, the Company will issue its first sustainability report for the first full financial year of listing, being the financial year ending 31 December 2020, by 31 December 2021. Accordingly, for more information on the Company's approach to stakeholder engagement and materiality assessment, please refer to the Company's Sustainability Report 2020 which will be available by 31 December 2021.

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

F. MATERIAL CONTRACTS

Please refer to the *Review of Interest Person Transactions and Material Contracts* (in page 35 of this report) for the material contracts entered into by the Group in FY19.

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. The Company will issue a sustainability report in compliance with Rule 711A of the Catalist Rules by 31 December 2021.

I. NON-SPONSOR FEE

Non-sponsor fee paid/payable to its Sponsor, SAC Capital Private Limited, for acting as its financial adviser in relation to the RTO during the financial period from 1 January to 31 December 2019 was S$59,000.

FINANCIAL SECTION

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 2019.

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 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; 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 (Appointed on 7 February 2019)
Tan Dah Ching
Teo Kok Woon

The re-election of Chua Khoon Hui 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, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest			Deemed interest		
Name of director	At 1.1.2019 or date of appointment	At 31.12.2019	At 21.1.2020	At 1.1.2019 or date of appointment	At 31.12.2019	At 21.1.2020
The Company						
Ordinary shares						
Chua Khoon Hui	–	6,500,216	6,500,216	–	–	–
Teo Kok Woon	–	–	–	68,325,728	28,410,666	28,410,666
Related corporations						
Sloshed! Pte Ltd						
Ordinary shares						
Chua Khoon Hui	310	–	–	–	–	–
Teo Kok Woon	1,192	–	–	–	–	–
The Other Room Pte Ltd						
Ordinary shares						
Teo Kok Woon	2	–	–	–	–	–
The Other Roof Pte Ltd						
Ordinary shares						
Teo Kok Woon	2	–	–	–	–	–

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Teo Kok Woon is deemed to have an interest in the shares of all the subsidiaries held by the Company upon the completion of the acquisition of Sloshed! Pte Ltd on 7 February 2019.

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 of the financial year, or date of appointment if later, 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 2019, 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, Chapter 50, 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
30 March 2020

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

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 2019, 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, Chapter 50 (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 2019 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 matter below, our description of how our audit addressed the matter is 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 matter 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 matter 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 2019, the Group's inventories amounted to $3.2 million. Inventories consist principally of bottled alcoholic beverages held for sale and include high value items of liquor which are susceptible to loss due to pilferage. As such, we have identified 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 inventory quantities 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 obtained 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 tested 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 as at year end.

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.

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.

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

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
30 March 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2019

		Group	
	Note	2019 $	2018 $
Revenue	5	**7,802,205**	6,577,573
Cost of sales		**(1,953,414)**	(1,779,520)
Gross profit		**5,848,791**	4,798,053
Other income	6	**330,622**	125,080
General and administrative expenses		**(3,859,293)**	(3,477,810)
Marketing and distribution expenses		**(179,351)**	(147,351)
Other operating expenses	7	**(1,509,470)**	(822,224)
Finance costs	8	**(66,386)**	(3,920)
Share of results of associate		**(182)**	(4,680)
Profit before tax	9	**564,731**	467,148
Income tax credit/(expense)	11	**30,845**	(81,775)
Profit for the year, representing profit attributable to owners of the Company		**595,576**	385,373
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		**(1,118)**	1,783
Total comprehensive income for the year attributable to owners of the Company		**594,458**	387,156
Earnings per share			
- Basic and diluted (cents per share)	12	**1.37**	1.19

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

		Group		Company	
		2019	2018	2019	2018
	Note	$	$	$	$
Non-current assets					
Plant and equipment	13	**892,254**	1,223,729	**–**	–
Right-of-use assets	14	**2,198,052**	–	**–**	–
Intangible assets	15	**29,495**	–	**–**	–
Investments in subsidiaries	16	**–**	–	**12,286,667**	–
Investment in associate	17	**1,696**	2,996	**–**	–
Other receivables	18	**224,568**	224,568	**–**	–
Deferred tax assets	11	**185,600**	88,600	**–**	–
		3,531,665	1,539,893	**12,286,667**	–
Current assets					
Inventories	19	**3,180,906**	2,799,602	**–**	–
Trade and other receivables	18	**467,836**	537,403	**449,294**	5,552
Restricted deposit	20	**–**	–	**–**	4,278,826
Cash and bank balances	20	**5,756,096**	982,756	**4,709,898**	1,055,976
		9,404,838	4,319,761	**5,159,192**	5,340,354
Total assets		**12,936,503**	5,859,654	**17,445,859**	5,340,354
Current liabilities					
Borrowing	21	**–**	49,801	**–**	–
Contract liabilities	5	**1,869**	28,680	**–**	–
Trade and other payables	22	**1,662,580**	1,829,201	**329,815**	478,924
Income tax payable		**112,559**	218,485	**–**	–
Lease liabilities	14	**952,462**	–	**–**	–
		2,729,470	2,126,167	**329,815**	478,924
Net current assets		**6,675,368**	2,193,594	**4,829,377**	4,861,430
Non-current liabilities					
Deferred tax liabilities	11	**4,100**	5,700	**–**	–
Lease liabilities	14	**1,312,268**	–	**–**	–
Provision for restoration costs	23	**125,135**	125,135	**–**	–
		1,441,503	130,835	**–**	–
Total liabilities		**4,170,973**	2,257,002	**329,815**	478,924
Net assets		**8,765,530**	3,602,652	**17,116,044**	4,861,430
Equity attributable to owners of the Company					
Share capital	24	**4,569,422**	1,002	**12,545,472**	258,805
Capital reserve	25	**1,452,106**	1,452,106	**–**	–
Foreign currency translation reserve	26	**4,768**	5,886	**–**	–
Revenue reserve		**2,739,234**	2,143,658	**4,570,572**	4,602,625
Total equity		**8,765,530**	3,602,652	**17,116,044**	4,861,430
Total equity and liabilities		**12,936,503**	5,859,654	**17,445,859**	5,340,354

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 2019

	Attributable to owners of the Company				
	Share capital (Note 24) $	Capital reserve (Note 25) $	Foreign currency translation reserve (Note 26) $	Revenue reserve $	Total equity $
Group					
At 1 January 2018	1,002	–	4,103	1,758,285	1,763,390
Profit for the year	–	–	–	385,373	385,373
Other comprehensive income					
Foreign currency translation	–	–	1,783	–	1,783
Total comprehensive income	–	–	1,783	385,373	387,156
Contributions by and distributions to owners					
Waiver of shareholders' loans, representing total transactions with owners	–	1,452,106	–	–	**1,452,106**
At 31 December 2018 and 1 January 2019	**1,002**	**1,452,106**	**5,886**	**2,143,658**	**3,602,652**
Profit for the year	**–**	**–**	**–**	**595,576**	**595,576**
Other comprehensive income					
Foreign currency translation	**–**	**–**	**(1,118)**	**–**	**(1,118)**
Total comprehensive income	**–**	**–**	**(1,118)**	**595,576**	**594,458**
Contributions by and distributions to owners					
Consideration shares issued in relation to reverse acquisition, representing total transactions with owners	**4,568,420**	**–**	**–**	**–**	**4,568,420**
At 31 December 2019	**4,569,422**	**1,452,106**	**4,768**	**2,739,234**	**8,765,530**

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

	Share Capital (Note 24) $	Revenue reserve $	Total equity $
Company			
At 1 January 2018	258,805	5,379,311	5,638,116
Loss for the year, representing total comprehensive income for the year	–	(776,686)	(776,686)
At 31 December 2018 and 1 January 2019	**258,805**	**4,602,625**	**4,861,430**
Loss for the year, representing total comprehensive income for the year	**–**	**(32,053)**	**(32,053)**
Issuance of shares for acquisition of subsidiaries, representing total transactions with owners	**12,286,667**	**–**	**12,286,667**
At 31 December 2019	**12,545,472**	**4,570,572**	**17,116,044**

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 2019

	Note	2019 $	2018 $
Operating activities			
Profit before tax		**564,731**	467,148
Adjustments for:			
Amortisation of intangible assets	15	**5,617**	–
Depreciation of plant and equipment	13	**404,187**	312,016
Depreciation of right-of-use assets	14	**976,782**	–
Finance costs	8	**66,386**	3,920
Gain on reverse acquisition	6	**(249,100)**	–
Interest income	6	**(28,823)**	–
Share of results of associate		**182**	4,680
Plant and equipment written off	7	**2,028**	–
Operating cash flows before changes in working capital		**1,741,990**	787,764
<u>Changes in working capital</u>			
Increase in inventories		**(381,304)**	(234,620)
Decrease/(increase) in trade and other receivables		**93,379**	(34,179)
(Decrease)/increase in trade and other payables and contract liabilities		**(526,368)**	306,053
Cash flows from operations		**927,697**	825,018
Interest paid		**(7,504)**	(3,838)
Income taxes paid		**(173,681)**	(1,335)
Net cash flows generated from operating activities		**746,512**	819,845
Investing activities			
Additions to intangible assets	15	**(35,112)**	–
Cash inflow from reverse acquisition	16	**5,195,412**	–
Interest received		**25,455**	–
Purchase of plant and equipment		**(140,140)**	(759,838)
Placement of fixed deposits	20	**(3,024,982)**	–
Net cash flows generated from/(used in) investing activities		**2,020,633**	(759,838)
Financing activities			
Payment of lease liabilities	14	**(968,986)**	–
Repayment of borrowing		**(49,801)**	(50,199)
Increase in amounts due to shareholders		–	94,519
Net cash flow (used in)/generated from financing activities		**(1,018,787)**	44,320
Net increase in cash and cash equivalents		**1,748,358**	104,327
Cash and cash equivalents at beginning of the year		**982,756**	878,429
Cash and cash equivalents at end of the year	20	**2,731,114**	982,756

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

1. CORPORATE INFORMATION

1.1 The Company

TSH Corporation Limited is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the SGX-ST.

As at 31 December 2018, the Company was deemed a cash company, and was subject to the requirements of a cash company under Rule 1017 of the Catalist Rules. Under Rule 1017(2) of the Catalist Rules, the SGX-ST would proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. Following the completion of the Company's acquisition of the entire issued share capital of Sloshed! Pte. Ltd. ("Sloshed" and together with its subsidiaries, "Sloshed Group") (the "Reverse Acquisition") on 7 February 2019, the Company has ceased to be a cash company.

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 activity of the Company is that of investment holding. The principal activities of the subsidiaries and associate are disclosed in Notes 16 and 17 to the financial statements respectively.

1.2 The Restructuring Exercise

Sloshed Group undertook the transaction described below as part of a corporate reorganisation (the "Restructuring Exercise") implemented in preparation for its listing on the SGX-ST by way of the Reverse Acquisition, the effects of which have been included in the consolidated financial statements of the Group for financial year ended 31 December 2018:

Acquisition of The Other Room Pte. Ltd. ("The Other Room")

The Other Room was incorporated on 8 December 2015. On 20 December 2018, Sloshed acquired 100% of the issued and paid-up capital of The Other Room of $2, comprising 2 ordinary shares, from Teo Kok Woon ("TKW") for a total consideration of $2, which was satisfied by the issuance and allotment of 542 ordinary shares of Sloshed to TKW.

Acquisition of The Other Roof Pte. Ltd. ("The Other Roof")

The Other Roof was incorporated on 27 March 2018. On 19 December 2018, Sloshed acquired 100% of the issued and paid-up capital of The Other Roof of $2, comprising 2 ordinary shares, from TKW for a total consideration of $2, which was satisfied in cash.

Prior to the Restructuring Exercise and since the incorporation of The Other Room and The Other Roof, The Other Room and The Other Roof were controlled by TKW. Pursuant to the completion of the Restructuring Exercise, The Other Room and The Other Roof became wholly-owned subsidiaries of Sloshed.

In accordance with Recommended Accounting Practice 12, Merger Accounting for Common Control Combinations for financial statements prepared under Part IX of the Fifth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, where the combining businesses or entities have been under common control but have not formed a legal group as at the end of the group's latest reporting period, the financial statements of the entities or businesses may, if meaningful, be presented on a combined basis provided that the common control combination under which the legal group is formed is completed before the date of approval of the consolidated financial statements by the director.

2. THE REVERSE ACQUISITION

On 7 February 2019, the shares in the Company were consolidated on the basis of one share for every twenty (20) shares held by shareholders (the "Share Consolidation"). The number of consolidated shares to which shareholders are entitled arising from the Share Consolidation were rounded down to the nearest whole consolidated share (the "Consolidated Shares"), and any fractions of the Consolidated Shares arising from the Share Consolidation were disregarded.

Subsequently, on the same date, the Company completed the acquisition of the entire issued and paid-up share capital of Sloshed.

The purchase consideration was satisfied by the allotment and issuance of 32,333,333 new ordinary shares (post Share Consolidation) at $0.38 per share in the capital of the Company on 7 February 2019.

The transaction is accounted for as a reverse acquisition for accounting purposes and Sloshed is regarded as the acquirer and the Company is regarded as the acquiree. As such, the consolidated financial statements have been prepared and presented as a continuation of Sloshed Group's financial statements.

At Group level

The cost of acquisition is determined using the fair value of the issued equity of the Company before the acquisition, being 12,022,158 Consolidated Shares at the market price of $0.38 per share at the date of acquisition, amounting to $4,568,420. The gain on reverse acquisition (net of the fair value of the Company's assets and liabilities acquired) of $249,100 had been recorded in the consolidated statement of comprehensive income for the financial year ended 31 December 2019.

Since such consolidated financial statements represent a continuation of the financial statements of Sloshed Group:

(a) the assets and liabilities of Sloshed Group are recognised and measured in the consolidated statement of financial position of the Group at their pre-acquisition carrying amounts;

(b) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition-date fair values;

(c) the revenue reserve and other equity balances recognised in the consolidated financial statements are the revenue reserve and other equity balances of Sloshed Group immediately before the Reverse Acquisition;

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the costs of acquisition to the issued equity of Sloshed Group immediately before the Reverse Acquisition. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the Reverse Acquisition;

(e) the consolidated statement of comprehensive income for the financial year ended 31 December 2019 reflects the full year results of Sloshed Group together with the post-acquisition results of the Company; and

(f) the comparative figures presented in these consolidated financial statements are those of Sloshed Group.

2. THE REVERSE ACQUISITION - *continued*

At Company level

Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. Therefore, in the Company's separate financial statements, the investment in the subsidiary (Sloshed) is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.2 Changes in accounting policies and disclosures

The Group applied SFRS(I) 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the Group's financial statements. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

<u>SFRS(I) 16 *Leases*</u>

SFRS(I)16 *Leases* supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases - Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. SFRS(I) 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

The effect of adoption of SFRS(I) 16 as at 1 January 2019 resulted in an increase right-of-use assets and lease liabilities of $2,201,578 and $2,201,578 respectively. There was no adjustment on equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *- continued*

3.2 Changes in accounting policies and disclosures *- continued*

SFRS(I) 16 *Leases* *- continued*

The Group has lease contracts for office, bar outlets and storage space. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 3.19 for the accounting policy prior to 1 January 2019.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 3.19 for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics
- relied on its assessment of whether leases are onerous immediately before the date of initial application
- applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 January 2019:

- Right-of-use assets of $2,201,578 were recognised and presented separately in the statement of financial position.
- Lease liabilities of $2,201,578 were recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.2 Changes in accounting policies and disclosures - *continued*

SFRS(I) 16 *Leases* - *continued*

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as at 31 December 2018 as follows:

Assets	$
Operating lease commitments as at 31 December 2018	2,313,385
Weighted average incremental borrowing rate as at 1 January 2019	3.05%
Discounted operating lease commitments as at 1 January 2019	2,201,578
Lease liabilities as at 1 January 2019	2,201,578

3.3 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: *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*	1 January 2020
Amendments to SFRS(I) 10 and SFRS (I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined
Amendments to SFRS(I) 9, FRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*	1 January 2020

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.

3.4 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.4 Basis of consolidation and business combinations - *continued*

(a) Basis of consolidation - continued

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.

(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 FRS.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.4 Basis of consolidation and business combinations - *continued*

(b) Business combinations and goodwill - continued

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.

(c) Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

– The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.

– No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.

– No additional goodwill is recognised as a result of the combination.

– Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

– The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

3.5 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.5 Foreign currency - *continued*

Transactions and balances - continued

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.

3.6 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.7 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.

3.8 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.9 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 balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

3.10 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 investments in associates 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 balance sheet 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 is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.11 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.

Initial recognition and measurement

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.11 Financial instruments - *continued*

(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.

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.

3.12 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.13 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.

3.14 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.

3.15 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.

3.16 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, the government grant shall be recognised in profit or loss upon receipt. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses. When the grant relates to an asset, it is presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

3.17 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.18 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.

3.19 Leases

<u>Accounting policy applicable from 1 January 2019</u>

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 3.8.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.19 Leases - *continued*

Accounting policy applicable from 1 January 2019 - *continued*

(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.

(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.

Accounting policy applicable prior to 1 January 2019

Group as a lessee

Operating lease payments are recognised as expenses in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expenses over the lease term on a straight-line basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.20 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 is when the customer obtains 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 supplies mainly 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) Sponsorship income

Sponsorship income is recognised upon receipt of cash from sponsors, as there is no performance obligation to be satisfied.

(c) Service income

Service income relates to income received for services provided to suppliers or customers. Service income is recognised when the service is rendered and all performance obligations have been satisfied at a point in time.

3.21 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.21 Taxes - *continued*

(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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

3.21 Taxes - *continued*

(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.

3.22 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.

3.23 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 balance sheet of the Group.

4. 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.

4.1 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.

4.2 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 as 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 19 to the financial statements.

5. REVENUE

Revenue represents sale of goods less any discounts. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied at a point in time.

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 for sale of beverages.

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

Significant changes in contract liabilities are explained as follows:

	Group	
	2019	2018
	$	$
Revenue recognised that was included in the contract liabilities balance at the beginning of year	**28,680**	52,432

5. REVENUE - *continued*

Transaction price allocated to remaining performance obligations

	Group	
	2019	2018
	$	$
Aggregate amount of the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations at the end of year	**1,869**	28,680

6. OTHER INCOME

	Group	
	2019	2018
	$	$
Other income includes:		
Government grants	**29,861**	38,279
Gain on reverse acquisition	**249,100**	–
Interest income	**28,823**	–
Net foreign exchange gain	**1,826**	–
Recovery of bad debt	**–**	1,048
Service income	**–**	71,011
Sponsorship income	**15,684**	13,379

Government grants include the Special Employment Credit and Wage Credit Scheme. The Special Employment Credit was introduced by the Singapore Government to support employers as well as to raise the employability of older low-wage Singaporeans. The Wage Credit Scheme was introduced to help businesses adjust to rising wage costs in a tight labour market with the objective to allow businesses to free up resources to make investments in productivity and to share the productivity gains with their employees.

The gain on reverse acquisition arose from the Company's reverse acquisition of the entire issued share capital of Sloshed on 7 February 2019 (Note 2).

7. OTHER OPERATING EXPENSES

	Group	
	2019	2018
	$	$
Other operating expenses include:		
Amortisation of intangible assets (Note 15)	**5,617**	–
Depreciation of plant and equipment (Note 13)	**404,187**	312,016
Depreciation of right-of-use assets (Note 14)	**976,782**	–
Net foreign exchange loss	–	3,552
Professional fees and expenses in relation to reverse acquisition	**120,856**	506,656
Plant and equipment written off	**2,028**	–

8. FINANCE COSTS

	Group	
	2019	2018
	$	$
Interest expense on borrowing	**7,504**	3,838
Interest expense arising from the discount implicit in non-current receivables	**–**	82
Interest expense on lease liabilities (Note 14)	**58,882**	–
	66,386	3,920

9. PROFIT BEFORE TAX

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

	Group	
	2019	2018
	$	$
Audit fees		
- Auditor of the Company	**102,130**	96,000
Non-audit fees		
- Auditor of the Company	**4,600**	58,500*
Operating lease expenses		
- Fixed expense	**1,949**	810,873
- Variable expense	**38,636**	54,432

* Included $55,000 relating to the non-audit fees incurred for the Reverse Acquisition.

10. EMPLOYEE BENEFITS EXPENSE

	Group	
	2019	2018
	$	$
Employee benefits expense (including directors):		
Salaries and bonuses	**2,631,867**	1,666,303
Central Provident Fund contributions	**179,089**	158,150
	2,810,956	1,824,453

11. INCOME TAX (CREDIT)/EXPENSE

(a) *Income tax (credit)/expense*

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

	Group	
	2019	2018
	$	$
Current tax		
- Current provision	**65,900**	109,201
- Under provision in respect of previous years	**1,855**	12,424
	67,755	121,625
Deferred tax		
- Origination and reversal of temporary differences	**(90,700)**	(27,300)
- Over provision in respect of previous years	**(7,900)**	(12,550)
	(98,600)	(39,850)
Income tax (credit)/expense recognised in consolidated statement of comprehensive income	**(30,845)**	81,775

(b) *Relationship between tax (credit)/expense and profit before tax*

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

	Group	
	2019	2018
	$	$
Profit before tax	**564,731**	467,148
Tax calculated at statutory tax rate of 17%	**96,004**	79,415
Adjustments:		
Non-deductible expenses	**26,911**	112,191
Income not subject to tax	**(50,747)**	(5,757)
Effects of partial tax exemption and tax relief	**(83,000)**	(104,744)
Over provision in respect of previous years	**(6,045)**	(126)
Share of results of associate	**31**	796
Benefits from previously unrecognised tax losses	**(15,378)**	–
Others	**1,379**	–
Income tax (credit)/expense recognised in consolidated statement of comprehensive income	**(30,845)**	81,775

11. INCOME TAX (CREDIT)/EXPENSE - *continued*

(c) Deferred tax

Deferred tax as at 31 December relates to the following:

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	2019	2018	2019	2018
	$	$	$	$
Deferred tax assets:				
Differences in depreciation	**48,900**	17,500	**(31,400)**	(17,500)
Unabsorbed tax losses	**122,500**	61,200	**(61,300)**	39,337
Provision	**4,400**	9,900	**5,500**	(9,900)
Others	**9,800**	–	**(9,800)**	–
	185,600	88,600		
Deferred tax liabilities:				
Differences in depreciation	**(4,100)**	(5,700)	**(1,600)**	(51,787)
	(4,100)	(5,700)		
	181,500	82,900		
Deferred tax credit			**(98,600)**	(39,850)

Unrecognised tax losses

At the end of the year, the Group has unabsorbed tax losses of approximately $4,950,000 (31 December 2018: $Nil) 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.

12. EARNINGS PER SHARE

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

In connection with the Reverse Acquisition, the weighted average number of ordinary shares for the year ended 31 December 2019 is calculated based on the number of ordinary shares issued by the Company to the owners of Sloshed! Pte. Ltd. ("RTO Shares"), which is deemed to be outstanding from the beginning of the year to 31 December 2019, and the weighted average number of ordinary shares (after share consolidation of every twenty (20) existing shares into one (1) consolidated share) of the Company outstanding from the date of completion of the reverse acquisition to 31 December 2019. The weighted average number of ordinary shares for the year ended 31 December 2018 is calculated based on the RTO Shares, which is the number of shares deemed to be outstanding from the beginning of the year to 31 December 2018.

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

	Group	
	2019	**2018**
	$	**$**
Profit for the year, representing profit attributable to owners of the Company	**595,576**	385,373
	Number of shares	**Number of shares**
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation	**43,353,645**	32,333,333

13. PLANT AND EQUIPMENT

Group	Bar and tableware $	Equipment $	Furniture and fittings $	Renovation $	Total $
Cost:					
At 1 January 2018	5,812	160,547	328,148	639,298	1,133,805
Additions	34,723	193,512	112,016	579,684	919,935
Write-offs	–	(23,356)	(42,373)	(1,500)	(67,229)
At 31 December 2018 and 1 January 2019	40,535	330,703	397,791	1,217,482	1,986,511
Cost adjustments*	–	–	–	(19,523)	(19,523)
Additions	–	25,686	12,450	56,127	94,263
Write-offs	(111)	(1,176)	(3,512)	–	(4,799)
At 31 December 2019	40,424	355,213	406,729	1,254,086	2,056,452
Accumulated depreciation:					
At 1 January 2018	3,584	79,831	129,251	305,329	517,995
Charge	6,731	44,377	65,601	195,307	312,016
Write-offs	–	(23,356)	(42,373)	(1,500)	(67,229)
At 31 December 2018 and 1 January 2019	10,315	100,852	152,479	499,136	762,782
Charge	17,307	72,757	79,490	234,633	404,187
Write-offs	(5)	(299)	(2,467)	–	(2,771)
At 31 December 2019	27,617	173,310	229,502	733,769	1,164,198
Net carrying amount:					
At 31 December 2018	30,220	229,851	245,312	718,346	1,223,729
At 31 December 2019	12,807	181,903	177,227	520,317	892,254

Restoration costs

Included in the Group's carrying amount of renovation is $50,049 (2018: $75,517) of capitalised restoration costs.

*: Cost adjustments consist of credit notes and government grants received for renovation.

14. 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.

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

Group	Premises $
As at 1 January 2019	2,201,578
Additions	973,256
Depreciation expense	(976,782)
As at 31 December 2019	2,198,052

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

	$
As at 1 January 2019	2,201,578
Additions	973,256
Accretion of interest	58,882
Payments	(968,986)
As at 31 December 2019	2,264,730
Current	952,462
Non-current	1,312,268

The amounts recognised in profit or loss in relation to the Group's leases aggregated to $1,076,249, as disclosed in Notes 7, 8 and 9 to the financial statements.

The Group had total cash outflows for leases of $1,009,571 in 2019 (2018: $865,305). The Group also had non-cash additions to right-of-use assets and lease liabilities of $973,256 in 2019 (2018: $Nil).

15. INTANGIBLE ASSETS

Group	Software $
Cost	
As at 1 January 2019	–
Additions	35,112
As at 31 December 2019	35,112
Accumulated amortisation	
At 1 January 2019	–
Charge	5,617
As at 31 December 2019	5,617
Net book value	
At 31 December 2019	29,495

Software has a remaining amortisation period of less than 3 years (2018: Nil).

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2019 $	2018 $
Unquoted equity shares, at cost	**12,286,667**	–

As at 31 December 2019, the subsidiaries relate to entities held directly or indirectly by the Company subsequent to the Reverse Acquisition as described in Note 2 to the financial statements.

16. INVESTMENT IN SUBSIDIARIES - *continued*

(a) *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 2019 %	Proportion of ownership interest 2018 %
Held by the Company				
Sloshed! Pte Ltd	Singapore	Investment holding	100	–
Held through Sloshed! Pte Ltd				
TWS Pte Ltd	Singapore	Pub operator	100	–
Quaich Pte Ltd	Singapore	Pub operator	100	–
The Other Room Pte Ltd	Singapore	Pub operator	100	–
The Other Roof Pte Ltd	Singapore	Pub operator	100	–
Planet Spirits Pte Ltd	Singapore	Import, export and distribution of spirits and wines	100	–

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

16. INVESTMENT IN SUBSIDIARIES - *continued*

(b) Reverse Acquisition

As described in Note 2 to the financial statements, Sloshed became the parent of the Group for accounting purposes, and the Company before the Reverse Acquisition became the acquiree. The fair value of the identifiable assets and liabilities of the Company recognised as at the date of the Reverse Acquisition were:

	$
Other receivables	20,444
Restricted deposit	4,278,826
Cash and bank balances	916,586
Trade and other payables	(398,336)
Total identifiable net assets at fair value	4,817,520
Gain on reverse acquisition	(249,100)
Consideration for the acquisition	4,568,420
Effect of the acquisition on cash flows	
Consideration for the acquisition	4,568,420
Less: Non-cash consideration	(4,568,420)
Consideration settled in cash	–
Add: Cash and cash equivalents of the Company acquired	5,195,412
Cash inflow from reverse acquisition	5,195,412

Impact of the acquisition on profit or loss

From the completion of the Reverse Acquisition, the Company contributed profit after tax of $11,856 to the Group's profit for the year. If the Reverse Acquisition had taken place at the beginning of the year, the Group's profit after tax would have decreased by $43,910.

During the year, the Group incurred costs in relation to the Reverse Acquisition of $120,856 (2018: $506,656) comprising professional fees, legal fees, due diligence costs and other consulting fees which are recognised in "Other operating expenses" in the consolidated statement of comprehensive income.

17. INVESTMENT IN ASSOCIATE

	Group	
	2019	2018
	$	$
Investment at cost, including share of post-acquisition reserves	**78,000**	79,300
Less: Accumulated impairment loss	**(76,304)**	(76,304)
Net investment in associate	**1,696**	2,996

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	
			2019	2018
			%	%
Timber Malt Pte. Ltd.	Singapore	Wholesale trade in alcoholic beverages	20	20

The activities of the associate are strategic to the Group's activities.

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

	2019	2018
	$	$
Loss after tax, representing total comprehensive income	**(912)**	(23,399)

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Trade and other receivables (current)				
Trade debtors:				
- Third parties	**56,830**	133,497	**–**	–
- Director-related companies	**380**	1,390	–	–
Advances to suppliers	**284,620**	168,155	–	–
Other debtors:				
- Third parties	**6,780**	39,326	**3,369**	–
- Subsidiaries	**–**	–	**427,009**	–
- Associate	**39,300**	39,300	**–**	–
GST receivable	**6,219**	81,138	**–**	–
Prepayments	**62,067**	46,101	**18,916**	5,352
Deposits	**11,640**	28,496	**–**	200
	467,836	537,403	**449,294**	5,552
Other receivables (non-current)				
Deposits	**224,568**	224,568	**–**	–
Total trade and other receivables (current and non-current)	**692,404**	761,971	**449,294**	5,552
Add:				
Restricted deposit (Note 20)	**–**	–	**–**	4,278,826
Cash and bank balances (Note 20)	**5,756,096**	982,756	**4,709,898**	1,055,976
Less:				
Advance to suppliers	**(284,620)**	(168,155)	**–**	–
GST receivable	**(6,219)**	(81,138)	**–**	–
Prepayments	**(62,067)**	(46,101)	**(18,916)**	(5,352)
Total financial assets at amortised cost	**6,095,594**	1,449,333	**5,140,276**	5,335,002

Trade and other receivables are unsecured, non-interest bearing and are generally on 1 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Related party balances

The amounts due from director-related companies, subsidiaries and associate are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Expected credit losses

There was no allowance for expected credit losses as at 31 December 2019 and 2018.

18. TRADE AND OTHER RECEIVABLES - *continued*

The trade and other receivables denominated in foreign currencies as at 31 December are as follows:

	Group	
	2019	2018
	$	$
Great Britain Pound	**123,017**	22,824

19. INVENTORIES

	Group	
	2019	2018
	$	$
Goods for sale, representing mainly beverages	**3,180,906**	2,799,602
Recognised in statement of comprehensive income		
- Inventories recognised as cost of sales	**1,953,414**	1,779,520

There were no inventories written-down for the years ended 31 December 2019 and 2018.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Cash at banks and on hand	**2,731,114**	982,756	**1,684,916**	1,055,976
Fixed deposits	**3,024,982**	–	**3,024,982**	–
Cash and bank balances	**5,756,096**	982,756	**4,709,898**	1,055,976
Restricted deposit	–	–	–	4,278,826
	5,756,096	982,756	4,709,898	5,334,802

Cash at banks and restricted deposit do not earn interest. Fixed deposits earn interest from 1.40% to 1.90% (2018: nil) per annum.

Cash and cash equivalents denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Great Britain Pound	**22,284**	42,041	–	–

20. CASH AND CASH EQUIVALENTS - *continued*

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the year:

	Group	
	2019	**2018**
	$	**$**
Cash at banks and on hand	**2,731,114**	982,756
Fixed deposits	**3,024,982**	–
	5,756,096	982,756
Less: Fixed deposits	**(3,024,982)**	–
Cash and cash equivalents	**2,731,114**	982,756

21. BORROWING

	Group	
	2019	**2018**
	$	**$**
Short-term borrowing	**–**	49,801

Short-term borrowing was interest-bearing at rates of 6.24% to 6.45% (2018: 6.09% to 6.30%) per annum.

The short-term borrowing was secured by personal guarantees from certain directors and was fully repaid during the year ended 31 December 2019.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Trade creditors:				
- Third parties	**351,584**	330,095	–	95,025
- Director-related companies	**10,167**	–	–	–
Accrued operating expenses	**430,607**	417,028	**208,073**	262,157
Other creditors:				
- Third parties	**139,165**	400,293	**121,742**	121,742
- Director-related companies	**13,661**	9,631	–	–
- Shareholder	**637,025**	637,025	–	–
GST payable	**80,371**	35,129	–	–
Total trade and other payables	**1,662,580**	1,829,201	**329,815**	478,924
Add:				
Lease liabilities (Note 14)	**2,264,730**	–	–	–
Borrowing (Note 21)	–	49,801	–	–
Less:				
GST payable	**(80,371)**	(35,129)	–	–
Total financial liabilities carried at amortised cost	**3,846,939**	1,843,873	**329,815**	478,924

Trade and other payables are unsecured and non-interest bearing. Trade payables and other payables are generally on 30 days' terms.

Trade and other payables denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Great Britain Pound	**147,318**	191,491	–	–
Renminbi	**50,217**	–	**50,217**	51,610

Related party balances

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

23. PROVISION FOR RESTORATION COSTS

Movement in provision for restoration costs:

	Group	
	2019 $	2018 $
At 1 January	**125,135**	55,535
Additions	–	71,100
Utilisation	–	(1,500)
At 31 December	**125,135**	125,135

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.

24. SHARE CAPITAL

	Group		Company	
	No. of ordinary shares (2)	$	No. of ordinary shares (2)	$
Issued and fully paid ordinary shares:				
At 1 January 2018, 31 December 2018 and 1 January 2019	240,443,565	1,002(1)	240,443,565	258,805
Share consolidation	(228,421,407)	–	(228,421,407)	–
Issue of shares pursuant to reverse acquisition	32,333,333	4,568,420(5)	32,333,333	12,286,667(4)
At 31 December 2019	44,355,491	4,569,422(3)	44,355,491	12,545,472

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

(1) The share capital of the Group as at 1 January 2018 has been adjusted to the same as 31 December 2018 in connection with the Restructuring Exercise as described in Note 1.2.

(2) The equity structure (i.e. the number and types of equity instruments issued) reflects the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the Reverse Acquisition.

(3) The amount recognised as issued equity instruments in the consolidated financial statements is determined by adding the cost of acquisition to the issued equity of Sloshed Group immediately before the Reverse Acquisition.

(4) This represents the purchase consideration for the Company's acquisition of Sloshed which was satisfied by the allotment and issuance of 32,333,333 ordinary shares at $0.38 per share in the capital of the Company on 7 February 2019.

(5) This represents the fair value of the consideration transferred in relation to the Reverse Acquisition. As Sloshed is a private entity, the quoted market price of the Company's shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the shares of Sloshed Group. The consideration transferred is determined using the fair value of the issued equity of the Company before the Reverse Acquisition, being 12,022,158 shares at $0.38 per share, which represents the fair value of the Company being the quoted and traded price of the shares on 7 February 2019 (date of completion of the Reverse Acquisition).

25. CAPITAL RESERVE

Capital reserve represents an amount of $1,452,106, which was waived by the former shareholders of Sloshed during the year ended 31 December 2018 in connection with the Reverse Acquisition.

26. 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.

27. RELATED PARTY TRANSACTIONS

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

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:

	2019 $	2018 $
Advances to associate	–	39,300
Sale of goods to a director	**47,038**	–
Sale of goods to director-related companies	**3,425**	14,594
Sale of goods to associate	–	1,236
Purchase of goods from director-related companies	**13,750**	30,124

(b) Compensation of key management personnel

	2019 $	2018 $
Salaries and bonuses	**474,107**	139,500
Central Provident Fund contributions	**27,197**	22,287
	501,304	161,787

(c) Acquisition of subsidiary

On 31 August 2018, the Company entered into a sale and purchase agreement ("SPA") with two (2) directors (Chua Khoon Hui and Teo Kok Woon) and Lim Kian Boon Charles to acquire Sloshed, which would be satisfied in full by the allotment and issue of new shares in the capital of the Company. The shareholders of the Company approved the Reverse Acquisition at an extraordinary general meeting of the Company on 25 January 2019 and the acquisition was completed on 7 February 2019.

28. COMMITMENTS

Operating lease commitment – as lessee

As at the end of the reporting year, the Group has lease commitments in respect of its office and bar outlet premises. Certain of the leases contain escalation clauses and provide for contingent rentals based on a percentage of sales derived. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting year are as follows:

	2019 $	2018 $
Not later than one year	**1,530**	919,135
Later than one year but not later than five years	–	1,394,250
	1,530	2,313,385

As disclosed in Note 3.2, the Group has adopted SFRS(I) 16 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the consolidated statement of financial position as at 31 December 2019, except for short-term and low-value leases.

29. 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, interest rate 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 cash equivalents), 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.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

(a) Credit risk - continued

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

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 receivables 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 securities 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 cash equivalents 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.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

(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's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's 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 $	One to five years $	Total $
2019			
Financial assets:			
Trade and other receivables	114,930	224,650	339,580
Cash and bank balances	5,756,096	–	5,756,096
Total undiscounted financial assets	5,871,026	224,650	6,095,676
Financial liabilities:			
Trade and other payables	1,582,209	–	1,582,209
Lease liabilities	1,005,434	1,347,431	2,352,865
Total undiscounted financial liabilities	2,587,644	1,347,431	3,935,075
Total net undiscounted financial assets/(liabilities)	3,283,382	(1,122,781)	2,160,601
2018			
Financial assets:			
Trade and other receivables	242,009	224,650	466,659
Cash and bank balances	982,756	–	982,756
Total undiscounted financial assets	1,224,765	224,650	1,449,415
Financial liabilities:			
Trade and other payables	1,794,072	–	1,794,072
Borrowing	49,801	–	49,801
Total undiscounted financial liabilities	1,843,873	–	1,843,873
Total net undiscounted financial (liabilities)/assets	(619,108)	224,650	(394,458)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

(b) *Liquidity risk - continued*

Company	One year or less 2019 $	2018 $
Financial assets:		
Trade and other receivables	**430,378**	200
Restricted deposit	**–**	4,278,826
Cash and bank balances	**4,709,898**	1,055,976
Total undiscounted financial assets	**5,140,276**	5,335,002
Financial liabilities:		
Trade and other payables	**329,815**	478,924
Total undiscounted financial liabilities	**329,815**	478,924
Total net undiscounted financial assets	**4,810,461**	4,856,078

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its fixed deposits and borrowing. The Group's fixed deposits and borrowing are at floating rates which are contractually repriced at intervals of three months or less from the end of the year.

Sensitivity analysis for interest rate risk

At the end of the year, if SGD interest rates had been 50 basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $7,100 lower/higher (2018: $207 higher/lower), arising mainly as a result of lower/higher interest income on floating rate fixed deposits.

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in Great Britain Pound ("GBP"). Approximately 48% (2018: 47%) of the Group's purchases are denominated in GBP whilst almost 99% (2018: 99%) of revenue are denominated in SGD. The Group's trade payable balances and cash at bank at the end of the year have similar exposures. The Group also has other payables denominated in RMB.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

(d) *Foreign currency risk - continued*

Sensitivity analysis for foreign currency risk

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

	Profit before tax (lower)/higher	
	2019	2018
	$	$
GBP against SGD		
– strengthened by 5%	**(101)**	(7,459)
– weakened by 5%	**101**	7,459
RMB against SGD		
– strengthened by 5%	**(2,511)**	–
– weakened by 5%	**2,511**	–

30. 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.

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.

31. CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

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

The Group and Company manage its capital structure and makes 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 year ended 31 December 2019.

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, borrowing, trade and other payables, accrued operating expenses, lease liabilities, contract liabilities and provision for restoration costs less cash and bank balances. Capital refers to equity attributable to owners of the Company.

		Group	
		2019	2018
	Note	$	$
Borrowing	21	–	49,801
Trade and other payables	22	**1,662,580**	1,829,201
Lease liabilities		**2,264,730**	–
Contract liabilities	5	**1,869**	28,680
Provision for restoration costs	23	**125,135**	125,135
Less: Cash and bank balances	20	**(5,756,096)**	(982,756)
Net (cash)/debt		**(1,701,782)**	1,050,061
Equity attributable to owners of the Company		**8,765,530**	3,602,652
Capital and net cash/debt		**7,063,748**	4,652,713
Gearing ratio		**n.m.**	0.23

n.m.- Not meaningful as the Group is in a net cash position.

32. 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.

32. SEGMENT INFORMATION - *continued*

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 2019 and 2018, 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.

33. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 7 February 2020, the Singapore Ministry of Health, being a member of the multi-ministry task force, announced the elevation of the Disease Outbreak Response System Condition to code orange in response to the heightened risks posed by COVID-19. The outbreak of COVID-19 has shown signs of softening market conditions and reduced human traffic to the Group's outlets. This has also resulted in the closure of certain outlets with effect from 26 March 2020, 2359 hours subsequent to the measures implemented by the Singapore Ministry of Health. These measures are to be in place until 30 April 2020 but may be extended if the situation does not improve. The Group will continue to monitor the financial impact of COVID-19 virus.

34. RECLASSIFICATION OF COMPARATIVES

Certain comparatives have been reclassified to conform with current year's presentation. The Group has presented the professional fees and expenses in relation to reverse acquisition as cash flows used in operating activities instead of investing activities in the consolidated statement of cash flows.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 30 March 2020.

STATISTICS OF SHAREHOLDERS

- As at 17 March 2020

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	88	10.34	3,189	0.01
100 - 1,000	315	37.02	181,416	0.41
1,001 - 10,000	381	44.77	1,235,162	2.78
10,001 - 1,000,000	64	7.52	6,686,542	15.08
1,000,001 AND ABOVE	3	0.35	36,249,182	81.72
TOTAL	851	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	26,720,603	60.24
2	CHUA KHOON HUI (CAI KUNHUI)	6,500,216	14.65
3	COCKPIT INTERNATIONAL PTE LTD	3,028,363	6.83
4	LIM KIAN BOON CHARLES	838,737	1.89
5	KHOO BEE LENG, JOANNA (QIU MEILING, JOANNA)	703,520	1.59
6	LYE CHEE FEI ANTHONY	654,120	1.47
7	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	438,053	0.99
8	WANG YANLI	436,400	0.98
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	408,339	0.92
10	DARIO NOCENTINI	319,400	0.72
11	H'NG TIEN YAO	319,400	0.72
12	KHO CHUAN THYE PATRICK	254,210	0.57
13	OCBC SECURITIES PRIVATE LIMITED	252,324	0.57
14	DBS NOMINEES (PRIVATE) LIMITED	170,810	0.39
15	LOH WAI LENG	155,520	0.35
16	TIO HONG TJOEN @ TARWIDJAJA WIHARDJA OR THAM MEI KHENG	113,635	0.26
17	PHILLIP SECURITIES PTE LTD	106,985	0.24
18	GOH HAN PENG (WU HANPING)	84,255	0.19
19	CHAI ENG KWEE CLIFF (CAI RONGGUI)	82,800	0.19
20	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	81,083	0.18
	TOTAL	41,668,773	93.94

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 17 March 2020)

	Direct Interest		Deemed Interest		Total Interest	
Name	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 17 March 2020, 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 Rule.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Mr. Chua Khoon 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
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623

PRINCIPAL BANKERS

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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Teo Kok Woon ("**Mr Teo**") and Mr Chua Khoon Hui ("**Mr Chua**") are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2020 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

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

	MR TEO KOK WOON	MR CHUA KHOON HUI
Date of Appointment	11 August 2006	7 February 2019
Date of last re-appointment	25 April 2017	-
Age	52	44
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") 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. 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.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contributions to the Company and his performance, including attendance at meetings of the Board, participations, candour and special contributions. The Board has reviewed and concluded that Mr Chua possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive, Mr Chua will be responsible for formulating corporate strategies for the Group.
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.	Chief Executive Officer and Executive Director.
Professional qualifications	None	None

	MR TEO KOK WOON	MR CHUA KHOON HUI
Working experience and occupation(s) during the past 10 years	Mr Teo has approximately 26 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.	Mr Chua founded The Whisky Store and had been in-charge of the day-to-day management of the operations and oversees the business development activities, sales and marketing, and procurement and supply functions since November 2005.
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.	6,500,216 ordinary shares in the Company
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	Cockpit International Pte Ltd, a current substantial shareholder of the Company, is a wholly-owned subsidiary of Goodearth Realty Private Limited, whose shareholders include Mr Teo and Yeo Gek Lang Susie. Yeo Gek Lang Susie is the mother of Mr Teo.	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

	MR TEO KOK WOON	MR CHUA KHOON HUI
Other Principal Commitments* including Directorships		
Past (for the last 5 years)	Alwayseco Asia-Australia Pte. Ltd. (struck off) Asia Mineral Management Pte. Ltd. (struck off) EZ Living (UK) Ltd (dissolved) Goodearth on Brougham Adelaide Pty Ltd (deregistered) Kuo Bin DMC Pte Ltd (deregistered) Plaxico Investments Ltd (deregistered)	CJ's Bar Pte. Ltd. (formerly known as Quaich@ RWS Pte. Ltd.)
Present	<u>Within the Group</u> Quaich Pte. Ltd. Sloshed! Pte. Ltd. The Other Roof Pte. Ltd. The Other Room Pte. Ltd. TWS Pte. Ltd. <u>Outside the Group</u> Bausum Assets Sdn Bhd Bletchley Developments Ltd Casa Del Fuego Pte Ltd Cockpit Development Ltd Cockpit Golf Resort Sdn Bhd Cockpit Hotel (London) Ltd Cockpit International Pte Ltd Cockpit Properties (Singapore) Pte Ltd Duncan Taylor & Co Holdings Ltd EZZI Living International Pte Ltd EZ Living Pte Ltd EZZI Living Solutions Sdn Bhd FavorWell Ltd First World Estates Sdn Bhd Five Minutes Sdn Bhd FOC Holdings Pte Ltd FOC Orchard Pte Ltd FOC Restaurant Pte Ltd FOC Sentosa Pte Ltd Foris Investments Pte Ltd Fotia Pte Ltd Gold Tower Management Services Pty Ltd Goodearth (AP) Pte Ltd Goodearth Grenfell Pte Ltd Goodearth Hotels Australia (Cairns) Pty Ltd Goodearth Hotels Australia (Colonial Club) Pty Ltd Goodearth Hotels Australia (Gold Coast) Pty Ltd	<u>Within the Group</u> Planet Spirits Pte. Ltd. Quaich Pte. Ltd. Sloshed! Pte. Ltd. The Other Roof Pte. Ltd. The Other Room Pte. Ltd. TWS Pte. Ltd.

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

	MR TEO KOK WOON	MR CHUA KHOON HUI
	Goodearth Hotels (Empire) Pty Ltd Goodearth Hotels Ltd Goodearth Hotels Management (Colonial Club) Pty Ltd Goodearth Hotels NZ (Auckland) Ltd Goodearth Land Holdings (Malaysia) Sdn Bhd Goodearth New Zealand Pte Ltd Goodearth Properties (Ampang Hilir) Sdn Bhd Goodearth Realty Pte Ltd Guan Soon Development Pte Ltd Hotel de L'Europe Pte Ltd JKF Capital Pte Ltd JKF Capital Sdn Bhd JTF Assets Sdn Bhd Kozan Investments Ltd Leadgroup Commercial LLC Leadgroup Enterprise Ltd Leadgroup Industrial LLC Leadgroup Leisure LLC Leadgroup Properties Ltd Leadgroup Residential LLC Lillie Investments Ltd Lunarich Holdings Pte Ltd Lunarich International Ltd M3 Investments Ltd Melbourne Apartments Bedford Ltd Momentos Events Pte Ltd Origen Trading Pte Ltd Paddy Pte Ltd Palm Royale Pte Ltd Phix Consulting Limited Phix Holdings Pte Ltd Phix Investments (Blair) Pte Ltd Phix Investments (Emerald Hill) Pte Ltd Phix Investments Pte Ltd Phix (Melbourne House) Ltd Phix (Mercury House) Ltd Phix (Newmarket) Ltd Phix Pte Ltd Phix Residential Ltd Phix Ventures Pte Ltd Queen's Hotel International Pte Ltd Ravenswood Management Ltd Right Positive Sdn Bhd Strandline Investments Ltd Tambusu Holdings Ltd Termimesh (Malaysia) Sdn Bhd Termimesh (Singapore) Pte Ltd The Emperor Hotel Sdn Bhd Unique Beverages Sdn Bhd Vivaverde International Pte Ltd Vietsky Pte Ltd What's Pide (International) Pte Ltd What's Pide (Singapore) Pte Ltd Worthy Heritage Sdn Bhd	

	MR TEO KOK WOON	MR CHUA KHOON HUI
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.		
(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?	No	No
(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?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(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?	No	No

	MR TEO KOK WOON	MR CHUA KHOON HUI
(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

	MR TEO KOK WOON	MR CHUA KHOON HUI
(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:–	No	No
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?		

	MR TEO KOK WOON	MR CHUA KHOON HUI
(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		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. 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. 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).	N.A.	N.A.

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TSH Corporation Limited

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

Company Registration No: 200003865N