



TSH Corporation Limited
Company Registration Number 200003865N

RESPONSES TO QUESTIONS FROM SIAS

The Board of Directors (the “**Board**”) of TSH Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the questions raised by Securities Investors Association (Singapore) (“**SIAS**”). The Company sets out below the responses to all questions below. Please note that this set of responses is on a voluntary disclosure basis.

1. **During FY2025, the Group expanded overseas for the first time with the establishment of two whisky and cocktail-oriented bars in Tianjin, China, namely Churchill Cigar & Whisky Lounge and The Lobby Lounge. Both concepts are housed within The Perennial Tianjin, a JdV by Hyatt Hotel.**

This expansion positions the Group to introduce a distinctive whisky and cocktail experience to an emerging market with compelling demographics tailwinds.

- (i) **What due diligence did the Board undertake prior to approving the Group’s entry into China, including assessment of market demand, regulatory requirements, local partnerships, and execution risks?**

Company’s response:

The Board’s approval of the entry into China was guided by its established governance framework and relied on the Group’s existing connections. In evaluating the proposal, the Board considered the strategic fit, regulatory and compliance requirements, strengths of the partnership, and the Group’s financial exposure. As this is structured as a management service arrangement, it does not involve capital expenditure. Accordingly, the Group’s financial exposures are limited to its management costs overrun and share of any operating losses that may arise, rather than requiring significant upfront investment. This reflects a pragmatic and balanced approach to pursuing opportunities and while maintaining prudent risk management, ensuring alignment with the Group’s long-term objectives while keeping an appropriate level of financial exposure.

- (ii) **How does the Board assess the impact of this overseas expansion on the Group’s overall risk profile, and what limits or capital allocation thresholds have been set to govern further expansion?**

Company’s response:

The Board assesses the impact of this expansion on the Group’s overall risk profile within its established risk management framework, taking into account financial, operational, regulatory, and execution risks. Given that this is a management service arrangement and the financial exposures mentioned above, it does not change the overall risk profile of the Group.

The Board applies a principle-based approach, ensuring that commitments remain proportionate, sustainable, and aligned with the Group’s overall financial resilience and shareholder value creation.

- (iii) **Following the initial period of operations, what are the key performance indicators observed for these outlets, and how do they compare with management's original expectations in terms of revenue, customer profile, and preferences across different whisky categories?**

Company's response:

The Company has been monitoring its performance and trends to assess the development of the establishments. These includes revenue progression, sales mix, customer engagement and purchasing behavior. Performance has been evaluated against the Management's original expectations to identify areas of alignment and opportunities for refinement. These observations provide insights into customer profiles, customer preferences and market dynamics. Such insights guide future product positioning, enhance customer engagement strategies, and refine operational approach, with the aim of optimising performance and supporting the Group's long-term objectives.

2. **The Group generated net cash from operating activities of \$3.2 million in FY2025 (FY2024: \$2.88 million). Cash and cash equivalents as at the end of the year stood at \$3.36 million (FY2024: \$2.50 million).**

The Group's borrowings have decreased over the years and have been almost totally paid off.

For FY2025, the Board has recommended a final dividend of 0.5 cents per share. The Board has also indicated that it does not maintain a fixed dividend policy and will consider establishing one when appropriate.

- (i) **What considerations does the board apply in determining when the company is in a position to establish a formal dividend policy, and what conditions would need to be met for such a policy to be implemented?**

Company's response:

The Board considers several key factors in determining when the Company is in a position to establish a formal dividend policy. These include the achievement of sufficient operational scale, consistent and sustainable sales performance, and a stable financial position and liquidity. The Board would like to emphasise that the establishment of a dividend policy will be contingent upon meeting these conditions to ensure that dividend distributions are sustainable and aligned with the long-term interests of the Company and its shareholders.

At present, while the Company has made progress, net assets per share has only recently exceeded 2019 level and cash per share has yet to recover to pre-covid level. As such, the Board remains focused on strengthening the Company's financial resilience before establishing a formal dividend policy.

- (ii) **What are the expected capital expenditure requirements to support the group's growth plans?**

Company's response:

The Board notes that it is not practicable to define a single, fixed expected expenditure requirement to support the Group's growth plans. Capital expenditure requirements will depend on the nature, timing and scale of opportunities pursued, as well as prevailing market conditions, funding availability and operational needs.

Accordingly, capital deployment is assessed on a case-by-case basis in line with the Group's strategic priorities and financial position. This ensures that investment decisions remain flexible and responsive to business requirements, while maintaining financial discipline, prudent capital allocation, and overall business stability.

Accordingly, while capital expenditure is an important factor in determining dividend policy, it is considered alongside other elements such as growth opportunities, financial resilience, and shareholder value creation.

The proposed dividend of 0.5 cents per share represents a total payout of approximately \$221,777.

- (iii) **How was the quantum of the dividend decided, and what framework does the board use to balance cash retention, investment needs, and shareholder returns?**

Company's response:

The Board does not adopt a fixed formula or predetermined basis in determining the quantum of dividends. Instead, dividend decisions are made within a broader framework that seeks to balance prudent cash management for investment, reinvestment, capital expenditure requirements, with the objective of delivering sustainable returns to shareholders. In determining the appropriate level of dividend, the Board undertakes a holistic review of its financial position, investment needs, and potential strategic opportunities.

Accordingly, the quantum of dividend reflects the Board's careful consideration of these factors, ensuring that sufficient resources are retained to support the Group's trajectory and financial resilience, while at the same time providing reasonable return to shareholders. This approach allows the Board to remain flexible and responsive to evolving business conditions.

3. **The non-executive non-independent director, Mr Teo Kok Woon, has been absent from the last three annual general meetings, with the meeting minutes indicating that he had sent his apologies on each occasion.**

Mr Teo Kok Woon is the largest shareholder, holding 64.05% of the issued shares.

- (i) **Given that the annual general meeting is an important forum for shareholder engagement, can the company help shareholders better understand the reasons for the director's absence?**

Company's response:

The Board notes that Mr Teo Kok Woon ("**Mr Teo**"), a Non-Executive Non-Independent Director, has been absent from the past few annual general meetings ("**AGMs**") due to prior and longstanding commitments. Notwithstanding his absence at the AGMs, Mr Teo remains actively engaged in the Company's governance and participates in Board and Board committee meetings and contributes to discussions and decision-making, as reflected in the attendance table in "Provision 1.5 – Board meetings, attendance and multiple commitments" of the Report on Corporate Governance of the past three annual reports.

Moreover, as the Company's largest shareholder, Mr Teo's interests are closely aligned with the Group's long-term performance and strategic direction. The Board emphasises that governance responsibilities are discharged collectively, with all Directors contributing to oversight and decision-making process. Accordingly, the Board reassures shareholders that the Company continues to maintain robust and effective governance notwithstanding his absence at recent AGMs.

- (ii) **How can the company secretary and the company work with directors to improve their attendance at shareholder meetings?**

Company's response:

The Company recognises that general meetings are an important forum for shareholders engagement. The Company and the Company Secretary will work closely with all Directors to facilitate their participations, where practicable, taking into account individual commitments and responsibilities, with the aim of improving Directors' attendance at shareholder meetings.

Where Directors are unable to attend in person, the Company ensures that they remain actively engaged through other governance channels, including Board and committee meetings, so that shareholder interests are appropriately considered and represented. The Board remains committed to maintaining strong communication with shareholders and will continue to encourage Directors' participation at future meetings where possible.

By Order of the Board

Chua Khoon Hui
Chief Executive Officer and Executive Director
28 April 2026

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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