Press Release – For Immediate Release

OTS Holdings Registers Revenue of $17.4 Million in 1H2023

- ***The Group's Food Services business segment was a key contributor in 1H2023 with revenue growth of 26.6%***
- ***Recognised translation loss on foreign exchange of $0.2 million in 1H2023 due to weakening of the Malaysian Ringgit against the Singapore Dollar***
- ***Healthy balance sheet with total assets of $38.1 million and cash equivalents of $6.6 million as at 31 December 2022***
- ***Continual focus and efforts on brand building and expansion of its product offerings in existing and new markets in the region***

For the six-month period ended 31 December 2022

($ million)	1H2023	1H2022	*Change (%)*
Revenue	17.4	18.7	*(7.4)*
Gross Profit	4.6	5.2	*(11.6)*
Profit before Tax	0.1	1.2	*(94.9)*
Recurring EBITDA*	1.1	2.0	*(47.5)*

***Earnings before interest, taxes, depreciation, and amortisation**

SINGAPORE, 13 February 2023 – **OTS Holdings Limited ("OTS Holdings" or the "Company", and together with its subsidiaries, the "Group"), a brand builder and food manufacturing group,** has announced its first half financial results for the six-month period ended 31 December 2022 ("**1H2023**").

The Group has 4 main business segments that are categorised as follows:

a. Modern Trade - sales generated from major supermarkets;
b. General Trade - sales generated from convenience stores, provision shops and wholesalers;
c. Food Services - sales generated from hotels, restaurants, hawker centres, food courts, food and beverage stores, and caterers; and
d. Others - sales that are mainly generated from e-commerce platforms and the export markets, and other income such as vehicle rental income and miscellaneous income.

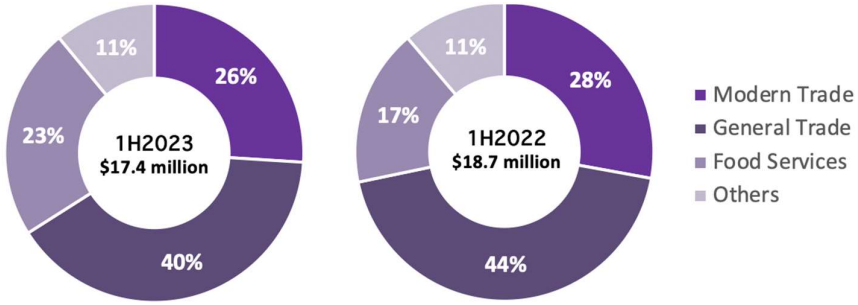
Revenue of $17.4 million with strong revenue growth from the Group's Food Services business segment in 1H2023: The revenue contribution from the Group's four business segments may vary from year to year with different brands targeting different consumer price points and market segments.

In 1H2023, the Group registered revenue that dipped 7.4% to $17.4 million, as compared to $18.7 million in 1H2022. The Group's Food Services business segment was a bright spot in 1H2023 as revenue contribution increased 26.6% to $4.0 million as the easing of COVID-19 restrictions led to more dining out and caterings in 1H2023.

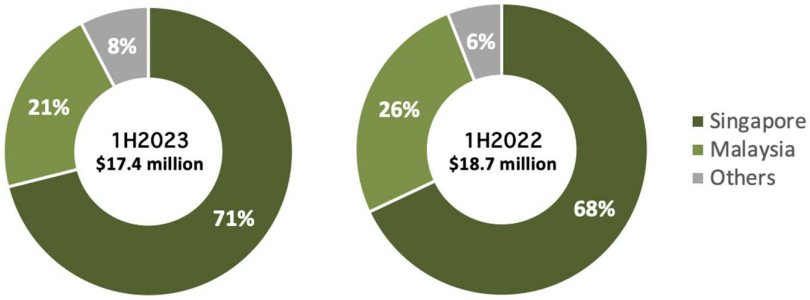
The General Trade and Modern Trade segments registered lower sales of $6.9 million and $4.5 million respectively in 1H2023. For General Trade, the decrease was mainly due to increased market competition and the weakening consumer spending power in Malaysia while for Modern Trade, the decrease was a result of weaker consumer demand. The Group's Others segment also posted lower sales due to lower export sales.

Geographically, Singapore remained the Group's main market and sales in Singapore remained relatively stable with revenue contribution of $12.3 million, accounting for 71.1% of overall revenue in 1H2023. The revenue from Malaysia dipped by $1.1 million or 23.6%, from $4.8 million in 1H2022 to $3.7 million in 1H2023, as a result of increased market competition and weakened consumer purchasing power. Revenue from other geographical markets increased marginally by $0.2 million or 16.2%, from $1.1 million in 1H2022 to $1.3 million in 1H2023, mainly due to sales generated by its Philippines subsidiary to various new customers.

Revenue by Business Segments



Revenue by Geographical Markets



Gross profit of $4.6 million and gross profit margin of 26.4%, with recurring EBITDA of $1.1 million in 1H2023: Corresponding to lower revenue, the Group's gross profit declined by $0.6 million or 11.6%, from approximately $5.2 million in 1H2022 to approximately $4.6 million in 1H2023. With higher costs of production mainly attributable to raw material, energy and depreciation, the Group's gross profit margin dipped by 1.3 percentage points, from 27.7% in 1H2022 to 26.4% in 1H2023.

The Group achieved recurring EBITDA of $1.1 million in 1H2023 with three of its business segments, other than Modern Trade, posting positive recurring EBITDA.

The Group's administrative and marketing and distribution costs remained relatively stable in 1H2023, at $2.9 million and $1.4 million respectively, as compared to 1H2022.

The Group's other income and gains declined by $0.3 million or 49.6%, from $0.5 million in 1H2022 to $0.2 million in 1H2023, which was mainly due to a decrease in government grants recognised of $0.2 million. In addition, there was no gain on disposal of plant and equipment and foreign exchange gain recorded during 1H2023 compared with $0.1 million in 1H2022.

In 1H2023, the Group also recognised translation loss on foreign exchange of $0.2 million in 1H2023 due to weakening of the Malaysian Ringgit against the Singapore Dollar.

Overall, the Group registered a net profit before tax of $0.1 million in 1H2023.

Healthy balance sheet with total assets of $38.1 million and cash equivalents of $6.6 million as at 31 December 2022: The Group's total assets comprised current assets of $22.9 million and non-current assets of $15.2 million. With total loans and borrowings being pared down to $1.0 million and fewer lease liabilities as at 31 December 2022, the Group's total liabilities stood at $9.2 million, comprising current liabilities of $4.4 million and non-current liabilities of $4.8 million as at 31 December 2022.

Commenting on the Group's financial performance for 1H2023, Managing Director of OTS Holdings, Mr. Ong Bee Chip said: ***"The easing of COVID-19 restrictions and normalising of economic and social activities in our operating markets have led to changes in consumers' spending preferences.***

In addition, inflationary pressures have resulted in higher costs of production that weighed on our near-term profitability.

As we move ahead, we will continue to maintain our financial discipline, review our cost structure, explore the launch of new products and expand our distribution channels locally and overseas."

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This document is to be read in conjunction with OTS Holdings' exchange filings on 13 February 2023, which can be downloaded via www.sgx.com.

About OTS Holdings Limited
(Bloomberg: OTS:SP / SGX Stock Code: OTS)

Established in 1993, OTS Holdings Limited is a brand builder and food manufacturing group in the consumer industry with a strong niche in ready-to-eat and ready-to-cook meat products with key markets in Singapore and Malaysia.

The Group's vision is to develop a growing portfolio of established consumer brands and become an innovative market leader in the region. Targeting both halal and non-halal consumer segments, the Group has more than 1,100 SKUs across 13 main product types under its seven house brands and notably the Group's flagship brands, "Golden Bridge" and "Kelly's" have become established household names within the ready-to-eat and ready-to-cook meat products market in Singapore and Malaysia.

The Group owns and operates three modern food manufacturing facilities, two in Singapore and one in Bulan Island, Indonesia. In Singapore, its integrated food manufacturing facilities with in-house research and development team span across around 9,131 sq m with an average annual production of around 2,500 tonnes of ready-to-eat and ready-to-cook meat products.

The Group's food products are sold in major supermarkets, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. Having built an established sales and distribution network over the past few decades, the Group aims to expand its presence in existing markets and overseas.

For more information, please visit the Company's website at www.ots-holdings.com.

Issued on behalf of OTS Holdings Limited by 8PR Asia Pte Ltd.

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