

TTA Holdings Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: TTA Holdings Limited
ABN: 18 110 475 799
Reporting period: For the half-year ended 30 September 2021
Previous period: For the half-year ended 30 September 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	8.01% to	1,954,314
Loss from ordinary activities after tax attributable to the owners of TTA Holdings Limited	increase	713.3% to	(628,247)
Loss for the half-year attributable to the owners of TTA Holdings Limited	increase	713.3% to	(628,247)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$628,247 (30 September 2020: \$77,247)

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>2.52</u>	<u>2.30</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of TTA Holdings Limited for the half-year ended 30 September 2021 is attached.

12. Signed



Clive Chia Yang Hong
Director

Date: 29 November 2021

TTA Holdings Limited

ABN 18 110 475 799

Interim Report - 30 September 2021

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TTA Holdings Limited
Directors' report
30 September 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of TTA Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 September 2021.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$628,247 (30 September 2020: \$77,247).

For the 1st half of FY2022, TEAC Australia, a wholly owned subsidiary of the Group, the revenue was \$1.95m while same period last year reported \$2.1m.

In the reporting period, the Group did not receive Job-keeper or government subsidy. For the period six months ended 30 September 2021, the loss was \$77.2m, net of government COVID-19 subsidy of \$250k.

Finance cost was down by 92% (2021 \$10.9k; 2020 \$132.8k) as a result of the settlement of the property loan and trade and debtors fundings in December 2020.

TEAC continue to focus on lifestyle Digital Audio products targeting the younger, youth and millennial market segment. TEAC introduced the innovative premium TEAC QLED 4k UHD Smart television and Smart Android DVD combo LED.

Coronavirus (COVID-19)

The overall result of negative \$628.2k on the half year 30 September 2021 was attributed in the downturn of retail sales due to the Covid-19 lengthy shutdown nationally. After the job keeper finished, orders from major retailers decreased; consumers purchasing activity were significantly curtailed. The impact of the COVID-19 pandemic is on-going and it is not practicable to estimate the potential impact, positive or negative, after the reporting period.

The Group remained focus on safeguarding the well-being of its employees, as well as supporting and serving those customers who provide essential services in the logistics and customer service-related functions. Most of the admin staff are transitioned to work from home in compliance with the Covid-19 set regulation. There is minimum interruption in the business operation with the implementation of some protocols such as zoom meetings and group teleconferences.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Clive Chia Yang Hong

29 November 2021

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the review of TTA Holdings Limited for the half-year ended 30 September 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TTA Holdings Limited.

Yours sincerely,
Connect National Audit



George Georgiou FCA
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Date: 29th November 2021

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TTA Holdings Limited
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30 September 2021

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General information

The financial statements cover TTA Holdings Limited as a consolidated entity consisting of TTA Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is TTA Holdings Limited's functional and presentation currency.

TTA Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

14 Quinn Drive
Keilor Park, Victoria 3042

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 November 2021.

TTA Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2021

	Note	Consolidated 30 Sep 2021 \$	30 Sept 2020 \$
Revenue	3	1,954,314	2,124,530
Other income		1,191	251,920
Interest revenue calculated using the effective interest method		57,197	60,864
Expenses			
Changes in inventories		-	-
Raw materials and consumables used		(1,924,510)	(1,724,654)
Employee benefits expense		(456,495)	(400,424)
Depreciation and amortisation expense		(12,208)	(6,083)
Rental expenses		(3,444)	(19,530)
Right-of-use asset depreciation		(33,809)	-
Impairment of related party receivable		(21,870)	35,758
Foreign exchange loss		3,555	(38,605)
Other expenses		(181,281)	(228,174)
Finance costs		(10,887)	(132,849)
Loss before income tax expense		(628,247)	(77,247)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of TTA Holdings Limited		(628,247)	(77,247)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of TTA Holdings Limited		(628,247)	(77,247)
		Cents	Cents
Basic earnings per share	7	(0.46)	(0.06)
Diluted earnings per share	7	(0.46)	(0.06)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

TTA Holdings Limited
Statement of financial position
As at 30 September 2021

	Note	Consolidated 30 Sep 2021 \$	31 Mar 2021 \$
Assets			
Current assets			
Cash and cash equivalents		1,039,829	1,636,199
Trade and other receivables	4	1,190,965	859,697
Inventories		1,665,585	1,876,813
Other current asset		28,029	196,386
Non-current asset for sale		-	-
Total current assets		<u>3,924,408</u>	<u>4,569,095</u>
Non-current assets			
Property, plant and equipment		35,981	42,114
Right-of-use asset		173,421	210,412
Total non-current assets		<u>209,402</u>	<u>252,526</u>
Total assets		<u>4,133,810</u>	<u>4,821,621</u>
Liabilities			
Current liabilities			
Trade and other payables		308,516	283,525
Employee benefits		89,283	137,882
Provisions		66,919	61,724
Lease payable		73,427	76,538
Total current liabilities		<u>538,145</u>	<u>559,669</u>
Non-current liabilities			
Employee benefits		9,003	7,734
Lease liabilities		94,378	133,687
Total non-current liabilities		<u>103,381</u>	<u>141,421</u>
Total liabilities		<u>641,526</u>	<u>701,090</u>
Net assets		<u>3,492,284</u>	<u>4,120,531</u>
Equity			
Issued capital		6,484,607	6,484,607
Accumulated losses		(2,992,323)	(2,364,076)
Total equity		<u>3,492,284</u>	<u>4,120,531</u>

The above statement of financial position should be read in conjunction with the accompanying notes

TTA Holdings Limited
Statement of changes in equity
For the half-year ended 30 September 2021

Consolidated	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 April 2020	6,484,607	(3,207,468)	3,277,139
Loss after income tax expense for the half-year	-	(77,247)	(77,247)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(77,247)	(77,247)
Balance at 30 September 2020	<u>6,484,607</u>	<u>(3,284,715)</u>	<u>3,199,892</u>

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2021	6,484,607	(2,364,076)	4,120,531
Loss after income tax expense for the half-year	-	(628,247)	(628,247)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(628,247)	(628,247)
Balance at 30 September 2021	<u>6,484,607</u>	<u>(2,992,323)</u>	<u>3,492,284</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

TTA Holdings Limited
Statement of cash flows
For the half-year ended 30 September 2021

	Consolidated	Consolidated
	30 Sep 2021	30 Sept 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,841,567	1,890,620
Payments to suppliers and employees (inclusive of GST)	<u>(2,467,718)</u>	<u>(2,932,708)</u>
	(626,151)	(1,042,088)
Interest received	57,195	60,864
Interest and other finance costs paid	<u>(4,954)</u>	<u>(132,849)</u>
Net cash used in operating activities	<u>(573,910)</u>	<u>(1,114,073)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	<u>(5,326)</u>	<u>(21,084)</u>
Net cash used in investing activities	<u>(5,326)</u>	<u>(21,084)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	1,277,539
Cost related to borrowings	<u>(17,134)</u>	<u>-</u>
Net cash (outflow / inflow from financing activities)	<u>(17,134)</u>	<u>1,277,539</u>
Net increase /(decrease) in cash and cash equivalents	(596,370)	142,382
Cash and cash equivalents at the beginning of the financial year	<u>1,636,199</u>	<u>398,427</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,039,829</u></u>	<u><u>540,809</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 September 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 March 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity incurred a loss from ordinary activities of \$628,247 for the half-year ended 30 September 2021. In addition, the consolidated entity resulted to an improved cash from operating activities from negative \$1,114,073 (30 September 2020) down to negative \$573,910 for the current half year.

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

1. Forecast for the 2nd half of the year is \$1.4m gross turnover with gross margin of \$0.5m. With the increased freight cost, uncertainty in the market condition and unforeseen further effect of COVID-19 in the industry, we have chosen a conservative forecast in the remainder of FY 2022. Inventory on hand is continually run down; new products orders will be placed when market condition is back to normal.
2. Maintain a minimum usage of Funding facility. The group have not used the facility as at 30 Sept 2021.
3. Monitor and continue to reduce overheads
4. Net working capital was \$3.4m as of 30 September 2021

Accordingly, the directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the company not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity operates in one segment, which is distribution of electronic goods to leading retailers in the Australian market.

TTA Holdings Limited
Notes to the financial statements
30 September 2021

Note 3. Revenue

	Consolidated	Consolidated
	30 Sep 2021	30 Sept 2020
	\$	\$
<i>Revenue from contracts with customers</i>		
Sales of goods	1,948,685	2,109,149
<i>Other revenue</i>		
Other revenue	5,629	15,381
Revenue	1,954,314	2,124,530

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	Consolidated
	30 Sep 2021	30 Sept 2020
	\$	\$
<i>Major product lines</i>		
Sale of electronic goods	1,948,685	2,109,149
<i>Geographical regions</i>		
Australia	1,948,685	2,109,149
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	1,948,685	2,109,149

Note 4. Current assets - trade and other receivables

	Consolidated	Consolidated
	30 Sep 2021	30 Sep 2020
	\$	\$
Trade receivables	1,190,965	642,895
Related party receivable	1,812,975	1,857,471
Less: Allowance for expected credit losses	(1,812,975)	(1,857,471)
Other receivables	-	-
	1,190,965	642,895

Note 5. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 6. Events after the reporting period

There are no significant events after the reporting period

TTA Holdings Limited
Notes to the financial statements
30 September 2021

Note 7. Earnings per share

	Consolidated	
	30 Sep 2021	30 Sept 2020
	\$	\$
Loss after income tax attributable to the owners of TTA Holdings Limited	<u>(628,247)</u>	<u>(77,247)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>137,423,410</u>	<u>137,423,410</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>137,423,410</u>	<u>137,423,410</u>
	Cents	Cents
Basic earnings per share	(0.46)	(0.06)
Diluted earnings per share	(0.46)	(0.06)

TTA Holdings Limited
Directors' declaration
30 September 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 September 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Clive Chia Yang Hong

29 November 2021

Independent Auditor's Review Report
To the members of TTA Holdings Limited
Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying Half-year Financial Report of TTA Holdings Limited and its controlled entities (the "Consolidated Entity").

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of the is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2021 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Statement of profit or loss and other comprehensive income for half-year ended 30 September 2021;
- Statement of financial position as at 30 September 2021, Statement of changes in equity and Statement of cash flows for the half-year on that date;
- Notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration. The Consolidated Entity comprises TTA Holdings Limited (The Company) and the entities it controlled at the half year's end or from time to time during the half year.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Consolidated Entity are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2021 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of TTA Holdings Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report. A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Yours sincerely,
Connect National Audit



George Georgiou FCA
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Date: 29th November 2021

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