

TIH LIMITED

(Registration Number: 199400941K)

***First Quarter Financial Statement and Dividend Announcement
for the period ended 31 March 2017***

THESE FIGURES HAVE NOT BEEN AUDITED.

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**1(a)(i) Consolidated statement of profit or loss
For the first quarter ended 31 March 2017**

	Group		
	3 mths to 31 Mar 2017 S\$'000	3 mths to 31 Mar 2016 S\$'000	Increase / (Decrease) %
Net change in fair value of investments at fair value through profit or loss (Note 1)	658	3,130	(79)
Net change in fair value of derivative financial instruments	31	128	(76)
Interest income from loan receivable (Note 2)	842	611	38
Net gains from investments	1,531	3,869	(60)
Other operating income (Note 3)	61	204	(70)
Total investment income	1,592	4,073	(61)
Finance income	12	29	(59)
Finance costs	(117)	53	nm
Operating expenses	(956)	(958)	-
Profit before tax	531	3,197	(83)
Income tax	-	-	-
Profit for the financial period attributable to owners of the Company	531	3,197	(83)

nm: Not meaningful

Operating expenses include the following:

	Group		
	3 mths to 31 Mar 2017 S\$'000	3 mths to 31 Mar 2016 S\$'000	Increase / (Decrease) %
Depreciation on property, plant and equipment	10	12	(17)
Audit fees paid/payable to:			
- Auditor of the Company for statutory audit of the Company and the Group	42	37	14
Non-audit fees paid/payable to:			
- Auditor of the Company	23	5	360
Directors' remuneration	107	107	-
Staff costs	380	449	(15)
Consultancy and advisory fees	29	-	nm
Legal and professional fees (Note 4)	189	184	3
Others	176	164	7
	956	958	-

nm: Not meaningful

Notes:

- (1) The Company has two wholly owned subsidiaries, Little Rock Group Limited (“Little Rock”) and Killian Court Pte Ltd (“Killian Court”), for the purpose of investment holding. These subsidiaries were measured at fair value through profit or loss. The net gain in investments at fair value through profit or loss of S\$0.66 million for the three months ended 31 March 2017 (“1Q2017”) was mainly attributed to the increase in fair value of underlying portfolio investments held through Killian Court.
- (2) Interest income from loan receivable of S\$0.84 million in 1Q2017 relates to the accrual of interest on a loan granted to a portfolio company.
- (3) Other operating income of S\$0.06 million in 1Q2017 was mainly derived from consultancy services fee income.
- (4) Legal and professional fees of S\$0.19 million for 1Q2017 includes strategic support services fees of S\$0.18 million.

1(a)(ii) Consolidated statement of comprehensive income
For the first quarter ended 31 March 2016

	Group		
	3 mths to 31 Mar 2017 S\$'000	3 mths to 31 Mar 2016 S\$'000	Increase / (Decrease) %
Profit for the financial period	531	3,197	(83)
Other comprehensive income			
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Net change in fair value of available-for-sale investments (Note 1)	13,854	5,278	162
Tax on items that are or may be reclassified subsequently to profit or loss	-	-	-
Other comprehensive income for the financial period, net of tax	13,854	5,278	162
Total comprehensive income for the financial period attributable to owners of the Company	14,385	8,475	70

Note:

- (1) The fair value gain in available-for-sale investments of S\$13.85 million for 1Q2017 was attributed to the increase in fair value of Fortune Code Limited ("Fortune Code").

1(b)(i) A statement of financial position for the Group and the Company, together with a comparative statement as at the end of the immediately preceding financial year.

**Statements of financial position
As at 31 March 2017**

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Current assets				
Cash and cash equivalents (Note 1)	16,339	23,086	14,445	20,551
Other receivables (Note 2)	1,981	1,098	1,752	907
Loan receivable (Note 3)	36,967	31,499	36,967	31,499
	55,287	55,683	53,164	52,957
Non-current assets				
Investments				
- At fair value through profit or loss (Note 4)	69,742	69,393	69,742	69,393
- Available-for-sale (Note 5)	31,622	17,768	31,622	17,768
- Subsidiary	-	-	5,000	5,000
	101,364	87,161	106,364	92,161
Property, plant and equipment	28	36	-	-
	101,392	87,197	106,364	92,161
Total assets	156,679	142,880	159,528	145,118
Liabilities				
Current liabilities				
Other payables (Note 6)	17,620	18,234	17,404	17,612
Derivatives	-	2	-	2
Convertible bonds (Note 7)	4,183	4,153	4,183	4,153
Total liabilities	21,803	22,389	21,587	21,767
Net assets	134,876	120,491	137,941	123,351
Equity attributable to owners of the Company				
Share capital	56,650	56,650	56,650	56,650
Retained earnings	56,769	56,238	59,834	59,098
Capital reserve	556	556	556	556
Fair value reserve (Note 8)	20,901	7,047	20,901	7,047
Total equity	134,876	120,491	137,941	123,351

Notes:

- (1) Cash and cash equivalents decreased by S\$6.75 million from S\$23.09 million as at 31 December 2016 to S\$16.34 million as at 31 March 2017 mainly due to new investments of S\$1.45 million and follow-on investments of \$6.6 million. This was partially offset by the loan repayment from Killian Court of S\$3.72 million arising from proceeds received from the underlying portfolios.
- (2) Increase in other receivables of S\$0.88 million from S\$1.1 million as at 31 December 2016 to S\$1.98 million as at 31 March 2017 was mainly due to increase in receivables from subsidiaries.
- (3) Loan receivable increased by S\$5.47 million from S\$31.5 million as at 31 December 2016 to S\$36.97 million as at 31 March 2017 due to additional loan of S\$4.63 million and the accrual of interest receivable for the period ended 31 March 2017 of S\$0.84 million.
- (4) Investments at fair value through profit or loss pertain to investments held through Little Rock and Killian Court, the Company's wholly owned subsidiaries. The increase of S\$0.35 million from S\$69.39 million as at 31 December 2016 to S\$69.74 million as at 31 March 2017 was mainly due to new investments of S\$1.45 million, follow-on investment of S\$1.97 million and increase in fair value of underlying portfolio companies of S\$0.66 million. The increase was partially offset by loan repayments of S\$3.72 million from Killian Court to the Company.
- (5) Increase in available-for-sale investments of S\$13.85 million from S\$17.77 million as at 31 December 2016 to S\$31.62 million as at 31 March 2017 was due to fair value gain in Fortune Code.
- (6) Other payables of S\$17.62 million as at 31 March 2017 comprise mainly provision for tax and expenses relating to the divestments of a portfolio company.
- (7) Convertible bonds of S\$4.18 million represent the Bonds Series B and C issued to Cosmic Ventures Limited on 20 May 2014 and will mature in May 2017. The bonds were measured at amortised cost using the effective interest method.
- (8) Fair value reserve of S\$20.9 million was attributed to fair value gain in Fortune Code.

1(b)(ii) Aggregate amount of Group's borrowing and debt securities.

Amount payable in one year or less, or on demand

As at 31/03/2017	As at 31/03/2017	As at 31/12/2016	As at 31/12/2016
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	4,183 *	-	4,153 *

Amount payable after one year

As at 31/03/2017	As at 31/03/2017	As at 31/12/2016	As at 31/12/2016
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

* The unsecured debt of S\$4.18 million (31 December 2016: S\$4.15 million) relates to the Series B and Series C of the Basic Subscription Tranche of zero coupon Convertible Bonds.

Details of collateral

Not applicable.

1(c) A statement of cash flows for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated statement of cash flows
For the first quarter ended 31 March 2017**

	Group	
	3 mths to 31 Mar 2017 S\$'000	3 mths to 31 Mar 2016 S\$'000
Cash flows from operating activities		
Profit for the year	531	3,197
Adjustments for:		
Interest income from deposits	(11)	(29)
Interest income from loan receivable	(842)	(611)
Depreciation on property, plant and equipment	10	12
Interest expense on financial liabilities measured at amortised cost	30	30
Net change in fair value of investments at fair value through profit or loss	(658)	(3,130)
Net change in fair value of derivative financial instruments	(31)	(128)
Unrealised exchange loss/(gain)	3	(160)
	(968)	(819)
Changes in operating assets and liabilities		
Investments	309	-
Loan receivable	(4,626)	-
Other receivables	(880)	(8)
Other payables	(424)	(363)
Cash used in operations	(6,589)	(1,190)
Dividends/distributions from subsidiaries	-	3,499
Net interest received	8	28
Settlement of derivatives	29	-
Income tax paid	-	-
Net cash (used in)/from operating activities	(6,552)	2,337
Cash flows from investing activities		
Purchase of property, plant and equipment	(2)	(2)
Net cash used in investing activities	(2)	(2)
Net (decrease)/increase in cash and cash equivalents	(6,554)	2,335
Cash and cash equivalents at 1 January	23,086	18,722
Effect of exchange rate fluctuations on cash held	(193)	(102)
Cash and cash equivalents at 31 March	16,339	20,955

- 1(d)(i) A statement for the Group and the Company showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated statements of changes in equity
For the first quarter ended 31 March 2017**

Group	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2017					
At 1 January 2017	56,650	556	7,047	56,238	120,491
Total comprehensive income for the period					
Profit for the period	-	-	-	531	531
<u>Other comprehensive income</u>					
Net change in fair value of available-for-sale investments	-	-	13,854	-	13,854
Tax on other comprehensive income	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	13,854	-	13,854
Total comprehensive income for the period	-	-	13,854	531	14,385
Transactions with owners, recognised directly in equity					
Dividends declared	-	-	-	-	-
At 31 March 2017	56,650	556	20,901	56,769	134,876

Group	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2016					
At 1 January 2016	56,650	556	-	43,308	100,514
Total comprehensive income for the period					
Profit for the period	-	-	-	3,197	3,197
<u>Other comprehensive income</u>					
Net change in fair value of available-for-sale investments	-	-	5,278	-	5,278
Tax on other comprehensive income	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	5,278	-	5,278
Total comprehensive income for the period	-	-	5,278	3,197	8,475
Transactions with owners, recognised directly in equity					
Dividends declared	-	-	-	-	-
At 31 March 2016	56,650	556	5,278	46,505	108,989

Company	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2017					
At 1 January 2017	56,650	556	7,047	59,098	123,351

Total comprehensive income for the period

Profit for the period

Other comprehensive income

Net change in fair value of available-for-sale investments

Tax on other comprehensive income

Total other comprehensive income, net of tax

Total comprehensive income for the period

-	-	-	736	736
-	-	13,854	-	13,854
-	-	-	-	-
-	-	13,854	-	13,854
-	-	13,854	736	14,590

Transactions with owners, recognised directly in equity

Dividends declared

At 31 March 2017

-	-	-	-	-
56,650	556	20,901	59,834	137,941

Company	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
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2016

At 1 January 2016

56,650	556	-	45,178	102,384
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Total comprehensive income for the period

Profit for the period

Other comprehensive income

Net change in fair value of available-for-sale investments

Tax on other comprehensive income

Total other comprehensive income, net of tax

Total comprehensive income for the period

-	-	-	3,364	3,364
-	-	5,278	-	5,278
-	-	-	-	-
-	-	5,278	-	5,278
-	-	5,278	3,364	8,642

Transactions with owners, recognised directly in equity

Dividends declared

At 31 March 2016

-	-	-	-	-
56,650	556	5,278	48,542	111,026

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(a) Changes in the Company's share capital

There were no changes in the Company's issued share capital since the end of the previous period reported on.

(b) Number of shares that may be issued on exercise of all the outstanding Bonus Warrants

On 19 May 2014 ("Bonus Warrants Issue Date"), a total of 702,942,318 Bonus Warrants were issued. Each Bonus Warrants entitles the holders to convert to one ordinary shares of the Company at two distinct exercise periods: (a) at S\$1.28 during the 6 month period commencing on the Bonus Warrants Issue Date ("First Exercise Period"); and (b) at S\$2.28 during the 12 month period commencing on the second anniversary of the Bonus Warrants Issue Date ("Second Exercise Period"). The First Exercise Period of the Bonus Warrants had expired on 19 November 2014. The Second Exercise Period will be from 19 May 2016 to 19 May 2017. Any Bonus Warrants remaining unexercised at the expiry of the Second Exercise Period shall lapse and cease to be valid for any purpose.

	Number of Bonus Warrants outstanding	
	Expiring	
	19 May 2017	Total
At 1 January 2017	697,430,839	697,430,839
Exercise of warrants	-	-
At 31 March 2017	697,430,839	697,430,839
At 1 January 2016	697,430,839	697,430,839
Exercise of warrants	-	-
At 31 March 2016	697,430,839	697,430,839

(c) Number of shares that may be issued on conversion of all the outstanding Convertible Bonds

On 20 May 2014, a Basic Subscription Tranche of zero coupon Convertible Bonds were issued to Cosmic Ventures Limited at a principal value of S\$6.3 million. Determined by the volume weighted average price for trades done on the Singapore Exchange Securities Trading Limited for a period of thirty days ("VWAP"), the conversion price per share for the Convertible Bonds comprising Bonds Series A, Bonds Series B and Bonds Series C will be at 15% discount to the VWAP, VWAP and 15% premium over the VWAP, respectively. The Convertible Bonds will mature in 36 months after the date of issue of the bonds. Bonds Series A of principal value of S\$2.1 million at the conversion price of S\$1.129 per share were converted into 1,860,053 ordinary shares on 18 July 2014.

	Number of Convertible Bonds outstanding		
	Series B	Series C	Total
At 1 January 2017	1,580,968	1,374,795	2,955,763
Conversion of bonds	-	-	-
At 31 March 2017	1,580,968	1,374,795	2,955,763
At 1 January 2016	1,580,968	1,374,795	2,955,763
Conversion of bonds	-	-	-
At 31 March 2016	1,580,968	1,374,795	2,955,763

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.

The Company did not have any treasury shares as at end of the current financial period reported on and as at the end of the immediately preceding financial year.

	31 Mar 2017	31 Dec 2016
Total number of issued shares	<u>241,685,638</u>	<u>241,685,638</u>

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had consistently applied the accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share

For the first quarter ended 31 March 2017

	Group	
	3 mths to 31 Mar 2017	3 mths to 31 Mar 2016
Earnings per ordinary share of the Group after deducting any provisions for preference dividends:		
(a) Based on the weighted average number of ordinary shares on issue; and	0.22 cts	1.32 cts
(b) On a fully diluted basis *	0.22 cts	1.32 cts

	Group	
	3 mths to 31 Mar 2017	3 mths to 31 Mar 2016
Earnings per ordinary share has been computed on the following weighted average number of shares:		
(a) Basic	241,685,638	241,685,638
(b) Diluted *	241,685,638	241,685,638

* Diluted earnings per share for the current quarter ended 31 March 2017 is the same as basic earnings per share as it has not included the outstanding Bonus Warrants and Convertible Bonds because (i) the Second Exercise Period of the Bonus Warrants will be from 19 May 2016 to 19 May 2017; and (ii) the Convertible Bonds is anti-dilutive as its stipulated automatic conversion price is higher than the average market price as at reporting date.

7. Net asset value for the Group and the Company per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	31 Mar 2017 S\$	31 Dec 2016 S\$	31 Mar 2017 S\$	31 Dec 2016 S\$
Net asset value per ordinary share based on issued share capital	0.56	0.50	0.57	0.51

Net asset value per ordinary share has been computed based on the number of shares in issue as at 31 March 2017 of 241,685,638 (31 December 2016: 241,685,638).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

The Group's income is primarily derived from the realisation and/or revaluation of its investments.

1Q 2017

During the financial period ended 31 March 2017, the Group reported profit attributable to shareholders of S\$0.53 million and total comprehensive income of S\$14.39 million mainly attributed to:

- (i) Fair value gain on available-for-sale investments of S\$13.85 million due to increase in fair value of Fortune Code.
(ii) Interest income of S\$0.84 million arising from the loan granted to a portfolio company.
(iii) Fair value gains of S\$0.66 million on investments at fair value through profit or loss.

The gains were offset partially by:

- (iv) Operating expenses of S\$0.96 million.

Net Asset Value (“NAV”)

The Group’s NAV as at 31 March 2017 was S\$134.88 million (representing a NAV of S\$0.56 per share), an increase of S\$14.39 million from the NAV of S\$120.49 million (S\$0.50 per share) as at 31 December 2016.

The increase in the Group’s NAV of S\$14.39 million was mainly due to fair value gains on available-for-sale investments of S\$13.85 million and investments at fair value through profit or loss of S\$0.66 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously made.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The International Monetary Fund has recently raised its outlook for global growth, citing a post-election surge in confidence in the United States and better growth prospects in Asia and Europe, amidst broad-based gains seen in manufacturing and trade globally. But uncertainties such as the threat of deepening geopolitical tensions, rising US interest rates that may squeeze economic growth and growing trade protectionism remain.

The positive market sentiments have been reflected in the private equity markets of Asia Pacific region as well. In 2016, private equity deal value in Asia Pacific reached US\$92 billion, making 2016 the second-best year on record. Exit activity of US\$74 billion was also healthy, and average returns continued to surpass that of other asset classes. However, competition for deals is projected to become more intense in the coming years. Private equity firms will have to source more effectively, improve their rigor in due diligence, and develop a value-creation model that can drive a meaningful performance improvement.

Going forward, TIH will continue to identify attractive investment opportunities in the Southeast Asia and Greater China region. The Group aims to tap opportunities that arise from the volatile capital markets and corporates looking to deleverage. The Group’s wholly-owned subsidiary, TIH Investment Management Pte. Ltd. continues to source for third-party assets to manage or deploy in return for recurring fee income.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the quarter ended 31 March 2017.

13. Interested person transactions.

The Group does not have a shareholders' mandate for interested person transactions. The following transactions took place between the Group and interested persons during the first quarter ended 31 March 2017:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST (excluding transactions less than S\$100,000)
Argyle Street Management Limited group ("ASML group"), a deemed controlling shareholder of the Company	Strategic Support Services fee of S\$182,000*	—

* On 30 January 2015, the Company entered into a Strategic Support Services Agreement with ASM Administration Limited ("ASMAL") to provide support services including, amongst others, deal sourcing to the Company. The agreement was effective 1 July 2014 for a fixed fee of US\$500,000 per annum. On 24 May 2016, the Company renewed the agreement for a fixed fee of US\$515,000 per annum effective 1 July 2016.

14. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

No new proceeds have been raised in the first quarter ended 31 March 2017.

15. Confirmation pursuant to Rule 705(5) in the Listing Manual of SGX-ST.

The Board has confirmed that to the best of its knowledge, nothing has come to its attention, which may render the unaudited financial results of the Group for the first quarter ended 31 March 2017 to be false or misleading in any material aspect.

16. Confirmation pursuant to Rule 720(1) of the Listing Manual.

The Board of Directors hereby confirms that it has procured the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
For and on behalf of TIH Limited

Allen Wang
CEO
TIH Investment Management Pte. Ltd.
4 May 2017