

TIH Limited

NEWS RELEASE

TIH ANNOUNCES 4Q2018 FINANCIAL RESULTS

- *Proposes final dividend of 1.0 Singapore cent per share*

Singapore, February 26, 2019 – TIH Limited (“TIH”, or the “Company” and together with its subsidiaries, the “Group”), an SGX Mainboard-listed private equity fund company, today posted a total comprehensive deficit and net loss attributable to shareholders of S\$11.96 million for the financial year ended December 31, 2018 (“FY2018”).

The Group’s income is chiefly derived from the realisation and/or revaluation of its investments. For FY2018, the Group’s total comprehensive deficit can be mainly attributed to the fair value losses on equity investments at fair value through profit or loss (“FVTPL”) of S\$13.03 million and operating expenses of S\$5.45 million. These losses were partially offset by other operating income of S\$2.18 million contributed from consultancy services and advisory fee income, and interest income of S\$0.83 million from a loan granted to a portfolio company.

The net loss in equity investment at FVTPL of S\$13.03 million for FY2018 was primarily attributed to the decrease in fair value of Fortune Code Limited of S\$17.23 million and distribution of dividends of S\$3.47 million from a subsidiary to the Company. The decrease was partially offset by the increase in fair value of other portfolio investments held through subsidiaries of S\$7.67 million.

The Group’s Net Asset Value (“NAV”) as at December 31, 2018 was S\$114.67 million (representing an NAV per share of S\$0.47), a decrease of S\$11.96 million from the NAV as at December 31, 2017 of S\$126.63 million (representing an NAV per share of S\$0.52). The decrease in the Group’s NAV can be attributed largely to cumulative fair value losses on equity investments at FVTPL of S\$13.03 million, which was offset partially by dividends from a subsidiary of S\$3.47 million.

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Depending on prevailing public market conditions, TIH's investments in listed securities may fluctuate, affecting fair value valuations of its portfolio investments, which do not indicate a permanent increase or decline of the investment portfolio's valuation.

During the year under review, TIH's key investments include S\$0.81 million to invest new equity into a Tokyo-based boutique corporate finance and investment advisory firm for an effective interest of 4.5%; S\$2.31 million in Capas Road Limited (representing approximately 16.8% equity interest) to participate in an investment in an Indonesian financial services business; and S\$3.39 million in ASM Connaught House Fund III ("CHF III"). The investment objective of CHF III is to achieve medium to long-term capital appreciation by investing in predominantly illiquid special situations investments in Asia with a focus on high yielding structured lending opportunities with good downside protection. CHF III is a fund which is an associate of, and managed by one of the Group's strategic shareholders, Argyle Street Management Limited ("ASML"). TIH Investment Management Pte. Ltd., a wholly owned subsidiary of TIH, has been appointed as the investment advisor to CHF III.

On June 1, 2018, the Group announced the appointment of three directors to further strengthen its Board of Directors. They include Non-independent Non-executive Director Mr Alex Shiu Leung Au, Independent Non-executive Director Mr Sin Boon Ann and Independent Non-executive Director Mr Tan Chade Phang, Roger. With effect from November 1, 2018, Mr Alex Shiu Leung Au, who is the Chief Financial Officer of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, all publicly listed companies in Hong Kong, was also appointed as an additional member to the Company's Board Investment Committee.

As a gesture of appreciation to valued shareholders of TIH for their continuous support, the Board of Directors is pleased to propose a final dividend of 1.0 Singapore cent for FY2018. The proposed dividend is subject to shareholders' approval at the next Annual General Meeting of the Company.

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The global economy started off 2019 with the prospect of slowing growth, dragged down by the heightening trade tensions between the United States and China, mounting interest rates, instability regarding Brexit and increasing government and corporate debt. The International Monetary Fund has modestly revised its global economic growth forecast to 3.5% this year, down from 3.7% in its earlier forecast in October 2018.

On the other hand, Southeast Asia's private equity market remains bullish, with increasing dry powder volume drawn by the region's robust macroeconomic fundamentals, investment opportunities in maturing startups, strong exit momentum, healthy returns and a deepening secondary market. Investors will therefore have to face intensifying competition and rising valuations.

TIH Executive Director and TIH Investment Management Pte. Ltd. Chief Executive Officer Mr Allen Wang said: "We will continue to leverage on the volatility in financial markets in the region to identify special situations, corporates deleveraging and non-core secondary assets at appealing valuations to grow our portfolio. TIH also remains committed to actively seek out opportunities to expand our recurring income base."

TIH Chairman Mr Kin Chan added: "The Group's strategic shareholders offer us deep expertise across sectors and an extensive network in Greater China and Southeast Asia. With their support, TIH is well-positioned to strengthen our portfolio and create long-term value for our shareholders."

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About TIH

TIH Limited (“TIH”) is an SGX-listed closed-end fund set up in 1994. Throughout its operating history and investment experience, TIH has invested in a broad variety of sectors including Consumer & Industrial Products, Healthcare, Technology, Media & Telecommunications, Food, Manufacturing and Chemicals, with a strong focus and dedication to Asia. TIH has extensive experiences in cross-border private equity investments and divestments, including but not limited to restructuring, mergers & acquisitions, joint ventures and turnaround opportunities.

TIH seeks to work closely with the management of investee companies to create value through strategic, operational and corporate finance inputs.

For more information, please visit www.tih.com.sg.

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