

TIH LIMITED
(Registration Number: 199400941K)

***First Quarter Financial Statement and Dividend Announcement
for the period ended 31 March 2019***

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 2019**

	Group		
	3 mths to 31 Mar 2019 S\$'000	3 mths to 31 Mar 2018 S\$'000	Increase / (Decrease) %
Dividends from subsidiary (Note 1)	750	609	23
Net change in fair value of equity investments at FVTPL (Note 2)	12,583	(764)	nm
Interest income from debt investment at FVTPL (Note 3)	204	209	(2)
Net gains from investments	13,537	54	nm
Other operating income (Note 4)	706	472	50
Total investment income	14,243	526	nm
Finance income	61	43	42
Finance costs	(3)	-	nm
Net finance income	58	43	35
Operating expenses	(1,087)	(1,333)	(18)
Profit/(loss) before tax	13,214	(764)	nm
Income tax	-	-	nm
Profit/(loss) for the financial period attributable to owners of the Company	13,214	(764)	nm

nm: Not meaningful

Operating expenses include the following:

	Group		
	3 mths to 31 Mar 2019 S\$'000	3 mths to 31 Mar 2018 S\$'000	Increase / (Decrease) %
Depreciation on right-of-use asset (Note 5)	41	-	nm
Depreciation on property, plant and equipment	5	4	25
Audit fees paid/payable to: - Auditor of the Company for statutory audit of the Company and the Group	45	42	7
Non-audit fees paid/payable to: - Auditor of the Company	13	5	160
Directors' remuneration	103	107	(4)
Staff costs	338	413	(18)
Consultancy and advisory fees (Note 6)	240	245	(2)
Legal and professional fees	201	366	(45)
Others	101	151	(33)
	1,087	1,333	(18)

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 equity investments at fair value through profit or loss (“FVTPL”). The subsidiaries will distribute dividends to the Company as and when there is sufficient cash and retained earnings for distribution. Consequently, there will be a corresponding decrease in fair value of these subsidiaries upon distribution of the dividends to the Company. During the three months ended 31 March 2019 (“1Q2019”), Killian Court distributed total dividends of S\$0.75 million to the Company and recorded a corresponding decline in equity investments at FVTPL of S\$0.75 million.
- (2) The net gain in equity investments at FVTPL of S\$12.58 million for 1Q2019 was mainly attributed to the increase in fair value of Fortune Code Limited (“Fortune Code”) of S\$10.06 million and increase in fair value of other portfolio investments held through subsidiaries of S\$3.27 million. The increase was partially offset by the distribution of dividends of S\$0.75 million from Killian Court to the Company.
- (3) Interest income from debt investment at FVTPL of S\$0.2 million for 1Q2019 relates to the accrual of interest on a loan granted to a portfolio company.
- (4) Other operating income of S\$0.71 million for 1Q2019 was mainly derived from consultancy services and advisory fee income.
- (5) On 1 January 2019, the Group adopted the amended SFRS(I) 16 *Leases* and recognised a right-of-use asset of S\$0.38 million and a corresponding liability of S\$0.38 million (please refer to Section 5 on page 10 for more details). The right-of-use asset is subsequently depreciated over the lease term.
- (6) Consultancy and advisory fees expense of S\$0.24 million for 1Q2019 includes fees sharing with a consultant firm in relation to a joint consultancy agreement.

1(a)(ii) Consolidated statement of comprehensive income
For the first quarter ended 31 March 2019

	Group		
	3 mths to	3 mths to	
	31 Mar	31 Mar	Increase /
	2019	2018	(Decrease)
	S\$'000	S\$'000	%
Profit/(loss) for the financial period	13,214	(764)	nm
Other comprehensive income			
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Net change in equity investment at fair value through other comprehensive income	-	-	nm
Tax on items that are or may be reclassified subsequently to profit or loss	-	-	nm
Other comprehensive income for the financial period, net of tax	-	-	nm
Total comprehensive income/(deficit) for the financial period attributable to owners of the Company	13,214	(764)	nm

nm: Not meaningful

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 2019**

	Group		Company	
	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Current assets				
Cash and cash equivalents (Note 1)	12,259	12,903	8,047	8,508
Other receivables	1,440	1,270	811	803
Amounts due from related parties	436	375	435	374
Debt investment at FVTPL (Note 2)	38,622	38,418	38,622	38,418
	<u>52,757</u>	<u>52,966</u>	<u>47,915</u>	<u>48,103</u>
Non-current assets				
Investments				
- Equity investments at FVTPL (Note 3)	94,594	81,632	94,594	81,632
- Subsidiary	-	-	7,000	7,000
	94,594	81,632	101,594	88,632
Property, plant and equipment	33	35	-	-
Right-of-use asset (Note 4)	338	-	-	-
	<u>94,965</u>	<u>81,667</u>	<u>101,594</u>	<u>88,632</u>
Total assets	<u>147,722</u>	<u>134,633</u>	<u>149,509</u>	<u>136,735</u>
Liabilities				
Current liabilities				
Other payables (Note 5)	19,493	19,960	19,082	19,062
Lease liability (Note 4)	153	-	-	-
	<u>19,646</u>	<u>19,960</u>	<u>19,082</u>	<u>19,062</u>
Non-current liability				
Lease liability (Note 4)	189	-	-	-
	<u>189</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>19,835</u>	<u>19,960</u>	<u>19,082</u>	<u>19,062</u>
Net assets	<u>127,887</u>	<u>114,673</u>	<u>130,427</u>	<u>117,673</u>
Equity attributable to owners of the Company				
Share capital	56,650	56,650	56,650	56,650
Retained earnings	70,681	57,467	73,221	60,467
Capital reserve	556	556	556	556
Total equity	<u>127,887</u>	<u>114,673</u>	<u>130,427</u>	<u>117,673</u>

Notes:

- (1) Cash and cash equivalents decreased by S\$0.64 million from S\$12.9 million as at 31 December 2018 to S\$12.26 million as at 31 March 2019. The decrease was mainly due to operating expenses of S\$1.09 million and total investments of S\$0.42 million. This was partially offset by dividend income from Killian Court of S\$0.75 million and loan repayment from Killian Court of S\$0.04 million arising from proceeds received from the underlying portfolio investments.
- (2) Debt investment at FVTPL increased by S\$0.2 million from S\$38.42 million as at 31 December 2018 to S\$38.62 million as at 31 March 2019 mainly due to accrual of interest receivable of S\$0.2 million.
- (3) Equity investments at FVTPL increased by S\$12.96 million from S\$81.63 million as at 31 December 2018 to S\$94.59 million as at 31 March 2019 mainly attributed to the increase in fair value of Fortune Code of S\$10.06 million, increase in fair value of other portfolio investments of S\$3.27 million and total investments of S\$0.42 million. The increase was partially offset by dividends of S\$0.75 million from Killian Court to the Company and loan repayment of S\$0.04 million.
- (4) Following the adoption of SFRS(I) 16 on 1 January 2019 explained in Section 5 of page 10, the Group recognised a right-of-use asset of S\$0.38 million representing its right to use the underlying asset and a lease liability of S\$0.38 million representing its obligation to make lease payments. The right-of-use asset is subsequently depreciated over the lease term.
- (5) Other payables of S\$19.49 million as at 31 March 2019 comprise mainly provision for tax and expenses relating to the divestments of a portfolio company.

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

Amount payable in one year or less, or on demand

As at 31/03/2019	As at 31/03/2019	As at 31/12/2018	As at 31/12/2018
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

Amount payable after one year

As at 31/03/2019	As at 31/03/2019	As at 31/12/2018	As at 31/12/2018
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

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 2019**

	Group	
	3 mths to 31 Mar 2019 S\$'000	3 mths to 31 Mar 2018 S\$'000
Cash flows from operating activities		
Profit/(loss) for the financial period	13,214	(764)
Adjustments for:		
Interest income from deposits	(32)	(12)
Interest income from debt investment at FVTPL	(204)	(209)
Interest expense on lease liability	3	-
Dividends from subsidiary	(750)	(609)
Depreciation on property, plant and equipment	5	4
Depreciation on right-of-use asset	41	-
Net change in fair value of equity investments at FVTPL	(12,583)	764
Unrealised exchange gain	(33)	(83)
	(339)	(909)
Changes in operating assets and liabilities		
Equity investments at FVTPL	(379)	-
Debt investment at FVTPL	-	1,199
Other receivables	(171)	134
Amount due from related parties	(61)	(62)
Other payables	(428)	(230)
Cash (used in)/generated from operations	(1,378)	132
Dividends from subsidiary	750	609
Net interest received	30	14
Income tax paid	-	-
Net cash (used in)/generated from operating activities	(598)	755
Cash flows from investing activity		
Purchase of property, plant and equipment	(3)	-
Net cash used in investing activity	(3)	-
Cash flows from financing activity		
Payment of lease liability	(37)	-
Net cash used in financing activity	(37)	-
Net (decrease)/increase in cash and cash equivalents	(638)	755
Cash and cash equivalents at 1 January	12,903	8,920
Effect of exchange rate fluctuations on cash held	(6)	(16)
Cash and cash equivalents at 31 March	12,259	9,659

- 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 2019**

Group	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2019					
At 1 January 2019	56,650	556	-	57,467	114,673
Total comprehensive income for the financial period					
Profit for the financial period	-	-	-	13,214	13,214
Total comprehensive income for the financial period	-	-	-	13,214	13,214
At 31 March 2019	56,650	556	-	70,681	127,887

Group	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2018					
At 1 January 2018	56,650	556	11,007	58,419	126,632
Adjustment on initial application of SFRS(I) 9 (net of tax) ¹	-	-	(11,007)	11,007	-
Adjusted balance at 1 January 2018	56,650	556	-	69,426	126,632
Total comprehensive deficit for the financial period					
Loss for the financial period	-	-	-	(764)	(764)
Total comprehensive deficit for the financial period	-	-	-	(764)	(764)
At 31 March 2018	56,650	556	-	68,662	125,868

¹ The impact on adoption of SFRS(I) 9 *Financial Instruments* on 1 January 2018 resulted in the transfer of fair value reserve to retained earnings.

Company	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2019					
At 1 January 2019	56,650	556	-	60,467	117,673
Total comprehensive income for the financial period					
Profit for the financial period	-	-	-	12,754	12,754
Total comprehensive income for the financial period	-	-	-	12,754	12,754
At 31 March 2019	56,650	556	-	73,221	130,427

Company	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2018					
At 1 January 2018	56,650	556	11,007	61,839	130,052
Adjustment on initial application of SFRS(I) 9 (net of tax) ¹	-	-	(11,007)	11,007	-
Adjusted balance at 1 January 2018	56,650	556	-	72,846	130,052
Total comprehensive deficit for the financial period					
Loss for the financial period	-	-	-	(927)	(927)
Total comprehensive deficit for the financial period	-	-	-	(927)	(927)
At 31 March 2018	56,650	556	-	71,919	129,125

¹ The impact on adoption of SFRS(I) 9 *Financial Instruments* on 1 January 2018 resulted in the transfer of fair value reserve to retained earnings.

- 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.**

There were no changes in the Company's issued share capital.

- 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 year reported on and as at the end of the immediately preceding financial year.

	31 Mar 2019	31 Dec 2018
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 2018 except for the adoption of the amended SFRS(I) 16 *Leases* effective for financial period commencing 1 January 2019.

- 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.**

The adoption of the amended SFRS(I) 16 *Leases* does not have a significant impact on the Group's financial statements.

Effect on changes of accounting policy

The Group has applied the modified retrospective approach in the adoption of the amended SFRS(I) 16 which allows it not to restate comparative information in the 2019 financial statements. The amended SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. The lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. As at 1 January 2019, the Group recognised a right-of-use asset of S\$0.38 million and a corresponding lease liability of S\$0.38 million. The right-of-use asset is subsequently depreciated over the lease term.

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 2019

	Group	
	3 mths to 31 Mar 2019	3 mths to 31 Mar 2018
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	5.47 cts	(0.32) cts
(b) On a fully diluted basis	5.47 cts	(0.32) cts
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

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 2019 S\$	31 Dec 2018 S\$	31 Mar 2019 S\$	31 Dec 2018 S\$
Net asset value per ordinary share based on issued share capital	0.53	0.47	0.54	0.49

Net asset value per ordinary share has been computed based on the number of shares in issue as at 31 March 2019 of 241,685,638 (31 December 2018: 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 2019

During the financial period ended 31 March 2019, the Group reported total comprehensive income of S\$13.21 million mainly attributed to:

- (i) Fair value gains on equity investments at FVTPL (after adjusting for dividends from subsidiary of S\$0.75 million) of S\$13.33 million (see explanatory Note 2 on page 2).
(ii) Other operating income of S\$0.71 million.
(iii) Interest income of S\$0.2 million arising from the loan granted to a portfolio company.

The gains were offset partially by:

(iv) Operating expenses of S\$1.09 million.

Net Asset Value (“NAV”)

The Group’s NAV as at 31 March 2019 was S\$127.88 million (representing a NAV of S\$0.53 per share), an increase of S\$13.21 million from the NAV of S\$114.67 million (S\$0.47 per share) as at 31 December 2018.

The increase in the Group’s NAV of S\$13.21 million was largely due to fair value gains on equity investments at FVTPL (after adjusting for dividends from subsidiary) of S\$13.33 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’s (“IMF”) latest forecast has projected global growth to slow to 3.3 per cent in 2019, down from its previous outlook of 3.5 per cent in January 2019. Market sentiments remain fragile. The U.S. Federal Reserve has signaled a more accommodative monetary policy, but China’s declining growth and trade tensions between the United States (“U.S.”) and China had adversely affected business confidence and financial markets.

The private equity market in Southeast Asia remains favourable to both general partners and limited partners, who are attracted by the region’s robust exit momentum, promise of high returns and large number of innovative startups. As the region becomes increasingly popular amongst investors, alongside the rising volume of dry powder, rising valuations are becoming inevitable as some experts questioned the tenacity of the private equity market in Southeast Asia.

As the operating landscape increasingly gets tougher, TIH’s deep expertise in corporate finance and extensive network of strategic relationships in Greater China and Southeast Asia enables it to expertly tap on opportunities for venture capital investments and long-term investments in attractive companies when the time comes. The Company will leverage on the uncertainty in the current financial market and will continue to actively identify special situations, corporates deleveraging and non-core secondary assets at attractive valuations.

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 2019.

13. Interested person transactions.

Pursuant to the Interested Person Transactions Mandate, the following transaction took place between the Group and interested persons during the quarter ended 31 March 2019:

Name of interested person	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 Holdings Limited and its associates	S\$119,000

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 quarter ended 31 March 2019.

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 2019 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.
14 May 2019