

TIH Limited

NEWS RELEASE

TIH REPORTS TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF COMPANY OF S\$12.07 MILLION FOR 2Q2020

- ***Launched new active engagement fund with Asian mandate to focus on undervalued listed companies in Asia Pacific and unlock value through active engagement with management and stakeholders***

Singapore, August 7, 2020 – TIH Limited (“TIH”, or the “Company” and together with its subsidiaries, the “Group”), an SGX Mainboard-listed private equity fund company, today reported a net profit and total comprehensive income attributable to owners of the Company of S\$12.07 million for the three months ended June 30, 2020 (“2Q2020”). For the half year ended June 30, 2020 (“1H2020”), the Group reported a total comprehensive deficit attributable to owners of the Company of S\$5.77 million.

The Group’s income is largely derived from the realisation and/or revaluation of its investments. For 2Q2020, the Group’s total comprehensive income was mainly attributed to net gain in fair value of debt investment at fair value through profit or loss (“FVTPL”) of S\$11.68 million, dividends from subsidiary of S\$0.96 million and other operating income of S\$0.56 million. The gain was partially offset by net loss in equity investments at FVTPL of S\$0.04 million and operating expenses of S\$1.00 million.

Killian Court Pte Ltd, a wholly owned subsidiary of the Company, had distributed dividends of S\$0.96 million to the Company and correspondingly recorded a decline in equity investments at FVTPL of S\$0.96 million. This was partially offset by the appreciation in fair value of Fortune Crane Limited of S\$0.46 million and other portfolio investments held through subsidiaries of S\$0.46 million. Consequently, TIH had recorded a net loss in equity investments at FVTPL of S\$0.04 million for 2Q2020.

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The Group's Net Asset Value ("NAV") as at June 30, 2020 was S\$118.42 million (representing an NAV per share of S\$0.49), as compared to the NAV of S\$126.61 million (representing an NAV per share of S\$0.52) as at December 31, 2019. The decrease of S\$8.19 million was largely due to the fair value loss on equity investments at FVTPL of S\$5.85 million, after adjusting for dividends from subsidiary, and interim dividend payment of S\$2.42 million for FY2020.

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.

On May 18, 2020, TIH had launched a new Asian active engagement fund – Vasanta Fund – in a joint venture, to invest opportunistically in deep-value listed companies with an aim to maximise and unlock value through active engagement with the management and stakeholders. The open-ended Fund will be managed by TIH Investment Management Pte. Ltd. ("TIHIM"), the Group's investment management arm.

Separately, further to TIH's announcement on SGXnet on May 18, 2020 that it had entered into separate option agreements with several Option Holders, the Company had received the approval-in-principle for its application for the listing and quotation of up to 48,095,442 Option Shares arising from the exercise of the Options, to be issued by the Company to the Option Holders in connection with the Option Agreement, on the Main Board of the SGX-ST.

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Mr Allen Wang, Executive Director of TIH and Chief Executive Officer of TIHIM said: “TIH takes a long-term view of our investments, with a focus on well-valued investments. Operationally, we successfully launched the Vasanta Fund during the review quarter. Our aspirations for the fund are for it to one day become a multi-billion dollar fund and the top activist/engagement investor in the Asia Pacific region. Apart from broadening the Group’s recurring income base through the collection of management fees, this also marked a milestone towards building up TIHIM as a successful multi-strategy regional investment manager. Additionally, as an investor in the Fund, our interests are aligned with all other fund investors and with our investee companies. The Group is expected to start recognising revenue from the Fund from the third quarter of the financial year 2020 onwards.”

The COVID-19 pandemic has disrupted the global economy severely. In its June 2020 update, the International Monetary Fund forecasted global growth for 2020 to contract by 4.9 per cent, compared to a contraction of 3 per cent forecasted in April 2020. As some countries emerge from the first wave of coronavirus infections and eased lockdown restrictions, there are growing concerns that a second wave and even third wave of infections would once again derail the global economy. Aside from the COVID-19 pandemic, geopolitical tensions are also expected to impact economic and trade activities.

The COVID-19 pandemic has accelerated pre-existing trends, such as the growing use of technology and digitisation as well as growing emphasis on healthcare and sustainability. As a result, technology companies and startups are likely to see the highest capital inflow from corporate venture capital. But investors in the region are now turning cautious and less willing to blindly back perpetually loss-making start-ups.

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TIH Chairman Mr Kin Chan added: “Our core strategy remains in exploring valuable investing opportunities, including special situations, corporates deleveraging and non-core secondary assets. In line with our strategy, the new Vasanta Fund will identify and invest in significantly undervalued listed companies which the Group believes TIHIM can provide strategic support to unlock value from, as well as companies with ineffective governance and/or management, fractured shareholding, non-core assets and inefficient capital structures. We will leverage on our extensive business networks across Greater China and the Southeast Asian regions to strengthen our portfolio, enhance our recurring income streams and build up long-term shareholder value.”

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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