

TIH LIMITED  
("Company" or "TIH")  
Incorporated in the Republic of Singapore  
Unique Entity Number: 199400941K

RESPONSE TO SGX-ST QUERIES ON THE COMPANY'S ANNOUNCEMENT OF 5 NOVEMBER 2015  
RELATING TO THE INVESTMENT IN BOWEN ROAD LIMITED

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Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the announcement dated 5 November 2015.

We refer to the queries raised by SGX-ST in its email dated 11 November 2015 with regard to the Investment in Bowen Road Limited. The Company wishes to set out the responses as follows:

SGX Query 1: The Company announced on 5 November 2015 an interested person transaction ("IPT") with ASML, an associate of its controlling shareholder in relation to the Investment in Bowen Road Limited. The Company announced that "the risks and rewards of the Agreement are in proportion to the equity held by the Company and ASML". Please disclose:

- (a) All details required under Rule 917, including but not limited to ASML's interest in investment.
- (b) If the terms of the investment includes obligations such as further capital injection, extension of shareholder loans, guarantees or options granted.
- (c) If any of these commitments in (b) above will not be given on a pro-rata basis.

Our response:

- (a) Investment in Bowen Road Limited ("BRL")

The Company, through its indirectly wholly owned subsidiary, Alpha Fountain Limited, entered the Agreement on 4 November 2015 with Kovan Limited ("Kovan"), pursuant to which the Company and Kovan shall invest a total of US\$30 million in BRL. Kovan is a special purpose vehicle controlled by funds managed by ASML, a controlling shareholder of the Company.

BRL is a company incorporated in the British Virgin Islands, and was established solely for the purpose of investing in consumer businesses based in Indonesia. The Company will subscribe for shares in BRL valued at US\$7 million (S\$9.76 million, based on an exchange rate of S\$1.394:US\$1.00), while Kovan will subscribe for shares valued at US\$23 million. BRL will have no other shareholders. Based on their respective capital contributions, the Company and Kovan will have a 23.33% and 76.67% equity interest in BRL respectively.

All the income and expenses of BRL shall be shared and borne by the shareholders in proportion to their respective shareholdings in BRL, subject to equitable adjustment as agreed between the shareholders to take account of any further funding by a shareholder in respect of an additional capital call issued by the underlying investment. Based on the shareholdings of BRL, the Company will have minority voting rights. However, the Agreement provides for reserved matters pertaining to fundamental changes require 100% shareholders' approval, which serves as additional protection for the Company, as the minority shareholder.

- (b) Each shareholder shall have right but not the obligation to contribute capital on a pro-rata basis to its holding of shares in BRL for any future capital calls. BRL shall only participate in any additional capital call by its underlying investment if BRL has confirmed sufficient funding from either one or both of the shareholders to satisfy the amount of additional capital call requested by the underlying investment.
- (c) None.

SGX Query 2: The IPT announcement disclosed that "The Company's total commitment in the Transaction is US\$7 million" and that "As the total aggregate value of all transactions with ASML during the same financial year exceeds 5% of the Relevant Figure, Rule 906 of the Listing Manual is applicable".

If any of the terms of payments or obligations, risks or rewards are not pro-rata, please note that Rule 916(2) cannot be applied and shareholders' approval must be obtained under Listing Rule 906(1). Please comply accordingly.

Our response:

The Company has complied with all the requirements of Rule 916(2).

Query 3: The Company announced that "this announcement discloses information under Rule 1010 of the Listing Manual".

We note that information required under Listing Rule 1010 was not fully disclosed in the Announcement. Please provide all the information required.

Our response:

Source of Funds

The investment in BRL will be funded with internal resources.

## Pro forma Financial Effects of the Transaction

The pro-forma financial effects of the joint investment in BRL presented below are purely for illustration purposes only, and are based on the audited financial statements of the Company for the financial year ended 31 December 2014.

- (a) Net Asset Value ("NAV"). For illustrative purposes only, and assuming that the transaction was completed on 31 December 2014, the investment has no impact on the NAV of the Company as the cash consideration is replaced by an investment at fair value through profit or loss.
- (b) Earnings. The transaction is classified as investment at fair value through profit or loss. Accordingly, any change in revaluation of the investment will have an impact on the Company's earnings. Assuming no immediate revaluation from this investment, there would be no impact on the Company's earnings if the transaction was completed on 1 January 2014.
- (c) Share Capital. The transaction will not have any impact on the issued shares of the Company.

## Relative Bases under Rule 1006

Based on the unaudited financial statement of the Group for the nine months ended 30 September 2015 ("3Q2015"), the relative figure of the investment computed on the base set out in Rules 1006(c) of the Mainboard Rules exceeds 5%. As such, the investment is a Discloseable Transaction and shareholder approval is not required.

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of compared with the Group's net asset value	N.A.
(b)	The net profit <sup>(1)</sup> attributable to the Target, compared with the Group's net loss of approximately S\$2,289,000 for 3Q2015	N.A. <sup>(2)</sup>
(c)	The Consideration compared with the Company's market capitalisation of approximately S\$151,005,187 as at 3 November 2015, being the last Market Day the Shares were traded on the SGX-ST immediately preceding the date the Agreement was executed <sup>(3)</sup>	6.46%
(d)	The number of Consideration Shares issued by the Company, compared with the number of Shares (excluding treasury shares) previously in issue	N.A.
(e)	The aggregate volume of proved and probable reserves to be disposed of compared with the Group's probable and proved reserves	N.A.

Notes:

- (1) Under the Mainboard Rules, net profits or loss means profit or loss before income tax, minority interests and extraordinary items.
- (2) BRL is a newly incorporated company and has not recorded any material profit or loss.
- (3) The market capitalisation of the Company was determined by multiplying the number of total issued Shares, being 241,685,638 Shares (excluding treasury shares) by S\$0.6248 (being the volume-weighted average traded price of such Shares on 3 November 2015, being the last Market Day immediately preceding the date of the Agreement).

#### Service Agreements

No director is proposed to be appointed to the Board of the Company in connection with the Transaction.

#### Directors' and Substantial Shareholders' Interest

Save in their capacities as directors and shareholders of ASML, Kin Chan and Angie Li have no interest, direct or indirect, in the Transaction. Save as disclosed, no substantial shareholder of the Company has an interest in the Transaction.

BY ORDER OF THE BOARD

TIH Investment Management Pte. Ltd.

for and on behalf of TIH Limited

Allen Wang

CEO

13 November 2015