

TIH LIMITED
(Incorporated in the Republic of Singapore)
(Unique Entity Number. 199400941K)
(the “**Company**” or “**TIH**”)

**REVISED JOINT VENTURE IN RELATION TO ASM CONNAUGHT HOUSE GENERAL
PARTNER II LIMITED**

1. INTRODUCTION

- 1.1 The board of directors (“**Board**”) of the Company (and together with its subsidiaries, the “**Group**”) refers to the announcement by the Company dated 5 July 2016 (“**Announcement**”) in relation to the Joint Venture (as defined in the Announcement).
- 1.2 As disclosed in the Announcement, pursuant to the shareholders’ agreement dated 5 July 2016 (“**Existing Shareholders’ Agreement**”) entered into by the Company’s wholly-owned subsidiary, Killian Court Pte. Ltd. (“**Killian Court**”), Argyle Street Management Holdings Limited (“**ASMHL**”) and ASM Connaught House General Partner II Limited (the “**General Partner**”) (collectively the “**Parties**”), ASMHL and Killian Court hold approximately 50.5% and 49.5% of the issued share capital of the General Partner respectively (“**Existing Shareholdings**”).
- 1.3 The Board wishes to announce that the Parties have as of 31 October 2016 terminated the Existing Shareholder’s Agreement and entered into a new shareholders’ agreement as of 31 October 2016 (“**New Shareholders’ Agreement**”) to regulate the relationship between the Parties *inter se* under the revised joint venture between Killian Court and ASMHL (“**Revised Joint Venture**”), pursuant to which:
- (i) Killian Court will subscribe for 50,000 additional ordinary shares of par value US\$0.01 each in the capital of the General Partner (“**GP Shares**”) (“**Killian Court Subscription Shares**”) at an issue price of US\$100 for each GP Share (“**Issue Price**”), which, together with the GP Shares currently held by it, constitute approximately 29.07% of the enlarged issued share capital of the General Partner, for an aggregate subscription amount of US\$5,000,000 (“**Killian Court Subscription Consideration**”) (the “**Subscription**”); and
 - (ii) ASMHL will subscribe for 262,500 additional GP Shares (“**ASMHL Subscription Shares**”) at the Issue Price, which, together with the GP Shares currently held by it, constitute approximately 70.93% of the enlarged issued share capital of the General Partner, for an aggregate subscription amount of US\$26,250,000 (“**ASMHL Subscription Consideration**”).
- 1.4 As at the date of this announcement, the Killian Court Subscription Shares and the ASMHL Subscription Shares have been issued without the Killian Court Subscription Consideration and the ASMHL Subscription Consideration having been paid. ASMHL and Killian Court hold approximately 70.93% and 29.07% of the issued share capital of the General Partner respectively (“**Shareholding Percentages**”).
- 1.5 ASMHL is a deemed controlling shareholder of the Company and an interested person as defined under the Listing Manual Section A: Mainboard Rules (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

2. INFORMATION ON THE SUBSCRIPTION

- 2.1 The Company's total capital commitment in the General Partner, as represented by the Killian Court Subscription Consideration, together with its previous capital commitment under the Existing Shareholders' Agreement, is US\$14.9 million.
- 2.2 The Killian Court Subscription Consideration is to be satisfied in the form of capital contributions, and pursuant to the receipt of a capital call notice by Killian Court issued by the General Partner to it.
- 2.3 The Killian Court Subscription Consideration will be funded entirely through internal funds of the Group.

3. INFORMATION ON THE REVISED JOINT VENTURE

3.1 Information on the General Partner

- 3.1.1 The General Partner was recently incorporated on 24 May 2016 as an exempted limited liability company in the Cayman Islands to facilitate the Joint Venture and the Revised Joint Venture and the associated establishment of the CHF II Fund (as defined below). Save except for the Existing Shareholdings, none of ASMHL or its affiliates has any existing equity interest in the General Partner.
- 3.1.2 The General Partner will serve as the general partner to investment funds, including a fund named "ASM Connaught House Fund II LP" which is constituted in the Cayman Islands as an exempted limited partnership ("**CHF II Fund**"). The limited partners and the General Partner of the CHF II Fund have executed and entered into an amended and restated limited partnership agreement ("**CHF II Limited Partnership Agreement**"). The General Partner will make a capital commitment of US\$51,250,000 into the CHF II Fund under the CHF II Limited Partnership Agreement. The General Partner intends to satisfy such capital commitment from the cash to be received from the Killian Court Subscription Consideration and the ASMHL Subscription Consideration, as well as the capital commitments of Killian Court and ASMHL detailed under the Existing Shareholders' Agreement.
- 3.1.3 The General Partner has on 30 June 2016 entered into an investment management agreement (as amended and restated on 12 August 2016) ("**IMA**") with Argyle Street Management Limited ("**ASML**") to appoint ASML as the investment manager to several funds including the CHF II Fund. ASML is a deemed controlling shareholder of the Company and an interested person as defined under the Listing Manual.
- 3.1.4 As a term of the New Shareholders' Agreement, in the ordinary course of business and absent any supervening circumstances, the ratio of the (i) investment management fees payable in respect of ASML acting as investment manager to various funds including the CHF II Fund on the one hand; and the (ii) investment advisory fees payable to TIH Investment Management Pte. Ltd. ("**TIH IM**"), a wholly-owned subsidiary of the Company, in respect of TIH IM acting as investment advisor to various funds including the CHF II Fund on the other hand, shall be equal to the Shareholding Percentages.

3.2 Rationale for the Revised Joint Venture

- 3.2.1 The Revised Joint Venture between ASMHL and Killian Court provides TIH IM the opportunity to leverage on the existing ASMHL and ASML investment track record and investor base for fund raising. The Revised Joint Venture will help TIH IM to jump start its fund management business initiative and assist TIH IM with its fund management track record.

3.2.2 TIH IM and ASML professionals have been working together on various transactions in the past in a long standing collaboration between ASML and TIH IM even before the Revised Joint Venture.

3.2.3 TIH IM and ASML have increased their commitment into the General Partner in response to market expectations and to align interests between TIH IM and ASML on the one hand with third party investors in CHF II Fund on the other hand. The General Partner's significant commitment into CHF II Fund demonstrates its conviction in the future success of CHF II Fund which boosts the confidence of existing and potential third party investors. This increase in commitment is critical to the successful fund-raising of the CHF II Fund.

3.3 **Information on the CHF II Fund**

3.3.1 The CHF II Fund was recently formed on 24 May 2016 as an exempted limited partnership in the Cayman Islands. The CHF II Fund has been established to focus on special situation investment opportunities. The knowledge, expertise and relationships define the geographic scope: ASEAN countries, Greater China, and to a more limited extent, Australia and India.

3.3.2 Amongst other things, the CHF II Fund may invest in shares of listed or unlisted companies or closed-end investment funds, convertible debt instruments, deep discount debt instruments, portfolios of bank loans or distressed assets and private structured/mezzanine loans.

4 **FINANCIAL EFFECTS**

4.1 The investment in the Revised Joint Venture is done in the ordinary course of the Company's business and is classified as an investment at fair value through profit or loss. The Company's total capital commitment in the General Partner, of approximately US\$14.9 million (equivalent to approximately S\$20.7 million at an exchange rate of US\$1.00: S\$1.3895) is about 20.6% of the Group's net asset value ("NAV") as at 31 December 2015 and 20.4% of the Company's market capitalisation as at the date of this announcement (based on the last traded share price on 1 November 2016 of S\$0.42 and approximately 242 million issued shares).

4.2 The pro forma financial effects of the Revised Joint Venture 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 2015:

- (a) **NAV.** For illustrative purposes only, and assuming that the transaction had been completed, and Killian Court Subscription Consideration had been fully paid, on 31 December 2015, 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 2015.
- (c) **Share Capital.** The transaction will not have any impact on the issued share capital of the Company.

5 INTERESTED PERSON TRANSACTION

- 5.1 **Interested Person.** ASMHL and ASML, both being deemed controlling shareholders of the Company, are each considered an “interested person” for the purposes of Chapter 9 of the Listing Manual. Accordingly, the Revised Joint Venture is an interested person transaction.
- 5.2 **Value of Interested Person Transactions.** For the current financial year commencing on 1 January 2016 and up to the date of this announcement, (i) the total value of all transactions by the Group with all interested persons, including the Joint Venture and the Revised Joint Venture, is approximately S\$31.5 million, and (ii) the total value of all transactions, including the Joint Venture and the Revised Joint Venture, entered into by the Group with ASMHL, ASML, or their affiliates is S\$31.5 million. As the total aggregate value of all transactions with ASMHL, ASML and their affiliates during the same financial year exceeds 5% of the Group’s net tangible assets as at 31 December 2015, Rule 906 of the Listing Manual is applicable.
- 5.3 **Rule 916(2) of the Listing Manual.** Having considered the terms of the Revised Joint Venture, the Audit Committee of the Company is of the view that: (i) the risks and rewards of the Revised Joint Venture are in proportion to the equity of each of Killian Court and ASMHL; and (ii) the terms of the Revised Joint Venture are not prejudicial to the interests of the Company and its minority shareholders. Therefore, shareholders’ approval is not required for the Revised Joint Venture under Rule 916(2) of the Listing Manual.

6 FURTHER INFORMATION

- 6.1 **Directors’ Service Contracts:** No person is proposed to be appointed as a director of the Company in connection with the Revised Joint Venture. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 6.2 **Interests of Directors and Controlling Shareholders of the Company:** Save as disclosed in this announcement and save for their shareholdings in the Company, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Revised Joint Venture.

BY ORDER OF THE BOARD

Allen Wang

CEO

TIH Investment Management Pte. Ltd.

Investment Manager of

TIH Limited

1 November 2016