

TIH LIMITED

(Formerly known as Transpac Industrial Holdings Limited)

(Registration Number: 199400941K)

**Second Quarter Financial Statement and Dividend Announcement
for the period ended 30 June 2014**

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 Income Statement
For the second quarter ended 30 June 2014**

	Group					
	3 mths to 30 Jun 2014 S\$'000	3 mths to 30 Jun 2013 S\$'000 (Restated)	Increase / (Decrease) %	6 mths to 30 Jun 2014 S\$'000	6 mths to 30 Jun 2013 S\$'000 (Restated)	Increase / (Decrease) %
Dividends/distributions from subsidiary	-	2,946	(100)	179	2,946	(94)
Net (losses)/gains on disposal of investments	-	(1)	100	-	48,714	(100)
Net change in fair value of financial instruments (Note 1)	(608)	(2,245)	(73)	(345)	8,763	nm
Net (losses)/gains from investments	(608)	700	nm	(166)	60,423	nm
Interest income (Note 2)	578	580	-	1,146	1,141	-
Total investment (loss)/income	(30)	1,280	nm	980	61,564	(98)
Finance costs (Note 3)	(20)	-	nm	(20)	-	nm
Operating expenses	(1,118)	1,236	nm	(1,673)	(13,227)	(87)
(Loss)/profit before tax	(1,168)	2,516	nm	(713)	48,337	nm
Tax credit/(expense)	93	-	nm	93	(4,768)	nm
(Loss)/profit for the financial period attributable to owners of the Company	(1,075)	2,516	nm	(620)	43,569	nm

nm: Not meaningful

Operating expenses include the following:

	Group					
	3 mths to 30 Jun 2014 S\$'000	3 mths to 30 Jun 2013 S\$'000 (Restated)	Increase / (Decrease) %	6 mths to 30 Jun 2014 S\$'000	6 mths to 30 Jun 2013 S\$'000 (Restated)	Increase / (Decrease) %
Investment management fees (Note 4)	231	287	(20)	590	571	3
Performance incentive fees (Note 5)	-	(1,779)	100	-	12,731	(100)
Performance incentive refund	-	(10)	100	-	(510)	(100)
Audit fees paid/payable to:						
- Auditors of the Company for statutory audit of the Company and the Group	37	32	16	69	64	8
Non-audit fees paid/payable to:						
- Auditors of the Company	36	9	300	39	21	86
Directors' remuneration	114	82	39	196	161	22
Currency exchange loss/(gain) - net	2	(1)	nm	2	1	100
Others (Note 6)	698	144	385	777	188	313
Total operating expenses	1,118	(1,236)	nm	1,673	13,227	(87)

nm: Not meaningful

Notes:

- (1) The net unfavourable change in fair value of financial instruments of S\$0.61 million for the three months ended 30 June 2014 (2Q2014) was mainly attributed to (i) decrease of S\$0.28 million in the Group's share in the net asset value of Transpac Capital 1996 Investment Trust, Transpac Equity Investment Trust and Transpac Venture Partnership II (collectively, "Transpac Funds") in which the Group holds interests; (ii) decrease of S\$0.22 million in the fair value of ACE International (BVI) Limited ("ACE"); and (iii) decrease of S\$0.24 million in the fair value of Comtec Solar Systems Group Limited ("Comtec"). These investments are held through Little Rock Group Limited ("Little Rock") or indirectly through Killian Court Pte Ltd ("Killian Court"), which are both wholly owned subsidiaries of the Company for the purpose of investment holding. Due to the change in the Group's accounting policies pursuant to the amended FRS 110 *Consolidated Financial Statements – Investment Entities* effective 1 January 2014 (as explained in Section 4 and 5 on page 13), Little Rock and Killian Court are measured as investment in subsidiaries at fair value through profit or loss. Any changes in the fair value of these subsidiaries are taken to the income statement.
- (2) Interest income of S\$0.58 million for 2Q2014 included accrual of interest of S\$0.55 million on a loan granted to a portfolio company.
- (3) Finance costs of S\$0.02 million for 2Q2014 pertain to the amortisation costs on the Basic Subscription Tranche of zero coupon Convertible Bonds issued to Cosmic Ventures Limited at principal value of S\$6.3 million ("Convertible Bonds") on 20 May 2014. The Convertible Bonds will mature in 36 months after the date of issue of the bonds.
- (4) As announced on 29 May 2014, the Internalisation Exercise has been completed and the Company has terminated the appointment of Transpac Capital Pte Ltd as its investment manager (the former Manager) on 29 May 2014 (the "Completion Date"). The Company has internalised the fund management service including the takeover of personnel from the former Manager. The former Manager ceased to receive any management fees thereafter. The management fees of S\$0.23 million was the apportioned fees due to the former Manager for the current quarter up to the Completion Date.
- (5) In conjunction with the above, the former Manager received S\$13.75 million as Termination Consideration and ceased to be entitled to any performance incentive fees with effect from the financial year ended 31 December 2013. The provision of performance incentive fees in the preceding year had been reversed in 4Q2013.
- (6) Other operating expenses of S\$0.7 million for 2Q2014 included professional fees/expenses of S\$0.38 million relating to the Internalisation Exercise/Convertible Bonds issues, and office and staff expenses of S\$0.31 million.

1(a)(ii) Consolidated Statement of Comprehensive Income
For the second quarter ended 30 June 2014

	Group					
	3 mths to 30 Jun 2014 S\$'000	3 mths to 30 Jun 2013 S\$'000 (Restated)	Increase / (Decrease) %	6 mths to 30 Jun 2014 S\$'000	6 mths to 30 Jun 2013 S\$'000 (Restated)	Increase / (Decrease) %
(Loss)/profit for the financial period	(1,075)	2,516	nm	(620)	43,569	nm
Other comprehensive income/(deficit):						
<u>Items that may be reclassified subsequently to profit or loss</u>						
Fair value gains/(losses) on available-for-sale investments (Note 1)	6,101	(9,542)	nm	531	7,292	(93)
Tax expense	-	-	-	-	-	-
Other comprehensive income/(deficit) for the financial period, net of tax	6,101	(9,542)	nm	531	7,292	(93)
Total comprehensive income/(deficit) for the financial period attributable to owners of the Company	5,026	(7,026)	nm	(89)	50,861	nm

nm: Not meaningful

Note:

- (1) The fair value gains on available-for-sale investments of S\$6.1 million for 2Q2014 was mainly due to the increase in fair value of Fortune Code Limited (“Fortune Code”) of S\$7.41 million which was offset partially by the decrease in fair value of ACE of S\$1.32 million attributed to the Group’s direct interest held through the Company.

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 30 June 2014

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
Assets				
Current assets				
Cash and cash equivalents (Note 1)	52,838	60,659	52,208	60,659
Other receivables (Note 2)	281	16,041	204	16,041
Due from subsidiaries	33	-	111	-
Derivative asset (Note 3)	8	-	8	-
	53,160	76,700	52,531	76,700
Non-current assets				
Investments				
- At fair value through profit or loss (Note 4)	11,815	6,717	12,815	6,717
- Available-for-sale (Note 5)	37,635	37,112	37,635	37,112
	49,450	43,829	50,450	43,829
Loan receivable (Note 6)	26,810	25,720	26,810	25,720
Deferred tax assets	93	-	-	-
Property, plant and equipment	97	-	-	-
	76,450	69,549	77,260	69,549
Total assets	129,610	146,249	129,791	146,249
Liabilities				
Current liabilities				
Other payables (Note 7)	16,209	30,177	16,269	30,177
Provisions	499	487	499	487
	16,708	30,664	16,768	30,664
Non-current liability				
Convertible bonds (Note 8)	5,785	-	5,785	-
	5,785	-	5,785	-
Total liabilities	22,493	30,664	22,553	30,664
Net assets	107,117	115,585	107,238	115,585
Equity attributable to owners of the Company				
Share capital (Note 9)	50,400	47,496	50,400	47,496
Retained earnings	31,991	44,327	32,112	44,327
Capital reserve	739	306	739	306
Fair value reserve for available-for-sale investments (Note 10)	23,987	23,456	23,987	23,456
Total equity	107,117	115,585	107,238	115,585

Notes:

- (1) Cash and cash equivalents decreased by S\$7.82 million from S\$60.66 million as at 31 December 2013 to S\$52.84 million as at 30 June 2014. The decrease was largely due to payment of interim dividend for FY2013 of S\$11.72 million on 22 May 2014, payment of Termination Consideration of S\$13.75 million due to the former Manager (see Note 5 on page 2) and total investments of S\$6.03 million in Comtec and Batavia Enterprise Limited (“Batavia”). The decrease was partially offset by proceeds from the issuance of Convertible Bonds of S\$6.3 million and the exercise of Bonus Warrants amounting to S\$2.9 million. In addition, the Group also received the sum of S\$15.8 million from the former Manager which was previously retained for tax and expenses relating to certain divestments (see Notes 2 and 7 below).
- (2) Other receivables decreased by S\$15.76 million from S\$16.04 million as at 31 December 2013 to S\$0.28 million as at 30 June 2014. This was mainly due to the receipt of S\$15.8 million previously retained by the former Manager for tax and expenses relating to certain divestments as explained in Note 1 above.
- (3) Derivative asset pertains to the fair value gains on a forward currency contract to hedge against currency fluctuation on a foreign currency investment.
- (4) Investments at fair value through profit or loss increased by S\$5.1 million from S\$6.72 million as at 31 December 2013 to S\$11.82 million as at 30 June 2014. The increase was mainly due to new investments of S\$6.03 million in Comtec and Batavia which was offset partially by unfavourable change in fair value of portfolio investments of S\$0.35 million and the final settlement of interest free loan granted to Little Rock by the Company of S\$0.59 million which was in substance the Company’s cost of net investment in Little Rock.
- (5) Increase in available-for-sale investments of S\$0.52 million from S\$37.11 million as at 31 December 2013 to S\$37.63 million as at 30 June 2014 was due to fair value gain of S\$1.89 million in Fortune Code, partially offset by a fair value loss of S\$1.37 million in ACE.
- (6) Loan receivable increased by S\$1.09 million from S\$25.72 million as at 31 December 2013 to S\$26.81 million as at 30 June 2014 due to accrual of interest receivable for the half year ended 30 June 2014.
- (7) Other payables decreased by S\$13.97 million from S\$30.18 million as at 31 December 2013 to S\$16.21 million as at 30 June 2014 mainly due to payment of S\$13.75 million for Termination Consideration to the former Manager. Included in other payables is a provision of S\$15.77 million for tax and expenses relating to the divestments of certain portfolio companies.
- (8) Convertible bonds pertain to the Basic Subscription Tranche of zero coupon Convertible Bonds issued to Cosmic Ventures Limited at principal value of S\$6.3 million on 20 May 2014. The Convertible Bonds will mature in 36 months after the date of issue of the bonds.
- (9) Share capital increased by S\$2.9 million from S\$47.5 million as at 31 December 2013 to S\$50.4 million as at 30 June 2014. The increase was due to the issuance of 2,269,343 new shares from the exercise of Bonus Warrants.
- (10) Fair value reserve for available-for-sale investments increased by S\$0.53 million from S\$23.46 million as at 31 December 2013 to S\$23.99 million as at 30 June 2014 mainly due to fair value gain of S\$1.89 million in Fortune Code, partially offset by a fair value loss of S\$1.37 million in ACE (see Note 5 above).

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

Amount payable in one year or less, or on demand

As at 30/06/2014	As at 30/06/2014	As at 31/12/2013	As at 31/12/2013
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

Amount payable after one year

As at 30/06/2014	As at 30/06/2014	As at 31/12/2013	As at 31/12/2013
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	5,785	-	-

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 second quarter ended 30 June 2014**

	Group			
	3 mths to 30 Jun 2014 S\$'000	3 mths to 30 Jun 2013 S\$'000 (Restated)	6 mths to 30 Jun 2014 S\$'000	6 mths to 30 Jun 2013 S\$'000 (Restated)
Cash flows from operating activities				
(Loss)/profit for the financial period	(1,075)	2,516	(620)	43,569
Adjustments for:				
Tax (credit)/expense	(93)	-	(93)	4,768
Interest income	(578)	(580)	(1,146)	(1,141)
Amortisation on convertible bonds	20	-	20	-
Depreciation expense	5	-	5	-
Performance incentive fees	-	(1,779)	-	12,731
Performance incentive fee refund	-	(10)	-	(510)
Net change in fair value of financial instruments	608	2,245	345	(8,763)
	(1,113)	2,392	(1,489)	50,654
Changes in operating assets and liabilities				
Investments	(6,034)	-	(5,443)	-
Loan receivable	-	1,338	-	1,338
Other receivables	15,676	(323)	15,665	(179)
Other payables	(14,354)	(522)	(13,886)	(152)
Performance incentive fees paid	-	(4,925)	-	(4,925)
Performance incentive fees received	-	1,440	-	1,440
Cash (used in)/generated from operations	(5,825)	(600)	(5,153)	48,176
Net interest received	15	705	48	733
Tax paid	-	-	-	(4,768)
Net cash (used in)/generated from operating activities (Note 1)	(5,810)	105	(5,105)	44,141
Cash flows used in investing activities				
Purchase of property, plant and equipment	(102)	-	(102)	-
Net cash used in investing activities	(102)	-	(102)	-
Cash flows used in financing activities				
Proceeds from convertible bonds issuance	6,300	-	6,300	-
Proceeds from warrants exercised	2,904	-	2,904	-
Convertible bonds issue expenses	(4)	-	(4)	-
Bonus warrants issue expenses	(98)	-	(98)	-
Dividends paid	(11,716)	-	(11,716)	(22,494)
Net cash used in financing activities (Note 2)	(2,614)	-	(2,614)	(22,494)
Net (decrease)/increase in cash and cash equivalents	(8,526)	105	(7,821)	21,647
Cash and cash equivalents at beginning of financial period	61,364	56,301	60,659	34,759
Cash and cash equivalents at end of financial period	52,838	56,406	52,838	56,406

Notes:

- Cash from operating activities for the three months ended 30 June 2014 decreased by S\$5.81 million mainly due to cash used in new investments of S\$6.03 million and payment of Termination Consideration of S\$13.75 million. The decrease was partially offset by receipt of S\$15.8 million from the former Manager for tax and expenses relating to certain divestments.
- Cash from financing activities for the three months ended 30 June 2014 decreased by S\$2.61 million mainly due to payment of interim dividend for FY2013 of S\$11.72 million which was offset partially by proceeds from issuance of Convertible Bonds of S\$6.3 million and Bonus Warrants exercised of S\$2.9 million.

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.

Statements of Changes in Equity
For the second quarter ended 30 June 2014

	For the 3 months ended 30 June					For the 6 months ended 30 June				
	Share capital	Capital reserve	Fair value reserve	Retained earnings	Total	Share capital	Capital reserve	Fair value reserve	Retained earnings	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2014										
At beginning of financial period as previously reported	47,496	306	17,886	44,782	110,470	47,496	306	23,925	44,450	116,177
Effect of amendments to FRS110	-	-	-	-	-	-	-	(469)	(123)	(592)
At beginning of financial period as restated	47,496	306	17,886	44,782	110,470	47,496	306	23,456	44,327	115,585
Total comprehensive income/(deficit) for the financial period										
Loss for the financial period	-	-	-	(1,075)	(1,075)	-	-	-	(620)	(620)
<u>Other comprehensive income/(deficit)</u>										
Fair value gains on available-for-sale investments	-	-	6,101	-	6,101	-	-	531	-	531
Tax expense	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(deficit), net of tax	-	-	6,101	-	6,101	-	-	531	-	531
Total comprehensive income/(deficit) for the financial period	-	-	6,101	(1,075)	5,026	-	-	531	(620)	(89)
Transactions with owners, recorded directly in equity										
Proceeds from warrants exercised	2,904	-	-	-	2,904	2,904	-	-	-	2,904
Bonus Warrants issue expenses	-	(98)	-	-	(98)	-	(98)	-	-	(98)
Issuance of Convertible Bonds	-	535	-	-	535	-	535	-	-	535
Convertible Bonds issue expenses	-	(4)	-	-	(4)	-	(4)	-	-	(4)
<i>Distributions to owners of the Company</i>										
Dividends paid	-	-	-	(11,716)	(11,716)	-	-	-	(11,716)	(11,716)
Total transactions with owners of the Company	2,904	433	-	(11,716)	(8,379)	2,904	433	-	(11,716)	(8,379)
At end of financial period	50,400	739	23,987	31,991	107,117	50,400	739	23,987	31,991	107,117

Group	For the 3 months ended 30 June					For the 6 months ended 30 June				
	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2013										
At beginning of financial period as previously reported	47,496	306	36,115	43,310	127,227	47,496	306	19,271	24,200	91,273
Effect of amendments to FRS110	-	-	(506)	(85)	(591)	-	-	(496)	466	(30)
At beginning of financial period as restated	47,496	306	35,609	43,225	126,636	47,496	306	18,775	24,666	91,243
Total comprehensive (deficit)/income for the financial period										
Profit for the financial period	-	-	-	2,516	2,516	-	-	-	43,569	43,569
<u>Other comprehensive (deficit)/income</u>										
Fair value (losses)/gains on available-for-sale investments	-	-	(9,542)	-	(9,542)	-	-	7,292	-	7,292
Tax expense	-	-	-	-	-	-	-	-	-	-
Total other comprehensive (deficit)/income, net of tax	-	-	(9,542)	-	(9,542)	-	-	7,292	-	7,292
Total comprehensive (deficit)/income for the financial period	-	-	(9,542)	2,516	(7,026)	-	-	7,292	43,569	50,861
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Dividends paid	-	-	-	-	-	-	-	-	(22,494)	(22,494)
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	(22,494)	(22,494)
At end of financial period	47,496	306	26,067	45,741	119,610	47,496	306	26,067	45,741	119,610

Company	For the 3 months ended 30 June					For the 6 months ended 30 June				
	Share capital	Capital reserve	Fair value reserve	Retained earnings	Total	Share capital	Capital reserve	Fair value reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2014										
At beginning of financial period as previously reported	47,496	306	17,886	44,791	110,479	47,496	306	29,581	38,202	115,585
Effect of amendments to FRS110	-	-	-	-	-	-	-	(6,125)	6,125	-
At beginning of financial period as restated	47,496	306	17,886	44,791	110,479	47,496	306	23,456	44,327	115,585
Total comprehensive income for the financial period										
Loss for the financial period	-	-	-	(963)	(963)	-	-	-	(499)	(499)
Other comprehensive income										
Fair value gains on available-for-sale investments	-	-	6,101	-	6,101	-	-	531	-	531
Tax expense	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	6,101	-	6,101	-	-	531	-	531
Total comprehensive income for the financial period	-	-	6,101	(963)	5,138	-	-	531	(499)	32
Transactions with owners, recorded directly in equity										
Proceeds from warrants exercised	2,904	-	-	-	2,904	2,904	-	-	-	2,904
Bonus Warrants issue expenses	-	(98)	-	-	(98)	-	(98)	-	-	(98)
Issuance of Convertible Bonds	-	535	-	-	535	-	535	-	-	535
Convertible Bonds issue expenses	-	(4)	-	-	(4)	-	(4)	-	-	(4)
<i>Distributions to owners of the Company</i>										
Dividends paid	-	-	-	(11,716)	(11,716)	-	-	-	(11,716)	(11,716)
Total transactions with owners of the Company	2,904	433	-	(11,716)	(8,379)	2,904	433	-	(11,716)	(8,379)
At end of financial period	50,400	739	23,987	32,112	107,238	50,400	739	23,987	32,112	107,238

Company	For the 3 months ended 30 June					For the 6 months ended 30 June				
	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2013										
At beginning of financial period as previously reported	47,496	306	48,844	29,990	126,636	47,496	306	21,002	22,439	91,243
Effect of amendments to FRS110	-	-	(13,235)	13,235	-	-	-	(2,227)	2,227	-
At beginning of financial period as restated	47,496	306	35,609	43,225	126,636	47,496	306	18,775	24,666	91,243
Total comprehensive (deficit)/income for the financial period										
Profit for the financial period	-	-	-	2,516	2,516	-	-	-	43,569	43,569
<u>Other comprehensive (deficit)/income</u>										
Fair value (losses)/gains on available-for-sale investments	-	-	(9,542)	-	(9,542)	-	-	7,292	-	7,292
Tax expense	-	-	-	-	-	-	-	-	-	-
Total other comprehensive (deficit)/income, net of tax	-	-	(9,542)	-	(9,542)	-	-	7,292	-	7,292
Total comprehensive (deficit)/income for the financial period	-	-	(9,542)	2,516	(7,026)	-	-	7,292	43,569	50,861
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Dividends paid	-	-	-	-	-	-	-	-	(22,494)	(22,494)
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	(22,494)	(22,494)
At end of financial period	47,496	306	26,067	45,741	119,610	47,496	306	26,067	45,741	119,610

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.

(a) Changes in the Company’s share capital

	Number of shares	S\$'000
Ordinary shares issued and paid-up		
At 1 January 2014	234,314,106	47,496
Issuance of new shares		
- Exercise of Bonus Warrants in the second quarter ended 30 June 2014	2,269,343	2,904
	<u>236,583,449</u>	<u>50,400</u>

On 30 December 2013, the Company announced a proposed Dividend Package comprising (i) Cash Dividend; and (ii) the Bonus Warrants Issue. The Dividend Package had been approved by shareholders at the extraordinary general meeting of the Company held on 29 April 2014.

On 19 May 2014 (“Bonus Warrants Issue Date”), a total of 702,942,318 Bonus Warrants were issued. Each Bonus Warrants entitles the holders to convert to one ordinary shares of the Company at two distinct exercise periods: (a) at S\$1.28 during the 6 month period commencing on the Bonus Warrants Issue Date; and (b) at S\$2.28 during the 12 month period commencing on the second anniversary of the Bonus Warrants Issue Date.

On 20 May 2014, a Basic Subscription Tranche of zero coupon Convertible Bonds were issued to Cosmic Ventures Limited at principal value of S\$6.3 million. Determined by the volume weighted average price for trades done on the Singapore Exchange Securities Trading Limited for a period of thirty days (“VWAP”), the conversion price per share for the Convertible Bonds comprising Bonds Series A, Bonds Series B and Bonds Series C will be at 15% discount to the VWAP, VWAP and 15% premium over the VWAP respectively. The Convertible Bonds will mature in 36 months after the date of issue of the bonds.

(b) Number of shares that may be issued on exercise of all the outstanding Bonus Warrants

	Number of warrants outstanding
Total number of Bonus Warrants issued on 19 May 2014	702,942,318
- Total number of Bonus Warrants exercised during the current financial period	(2,269,343)
At 30 June 2014	<u>700,672,975</u>

(c) Number of shares that may be issued on conversion of all the outstanding Convertible Bonds

	Number of Convertible Bonds outstanding	S\$'000
Convertible Bonds issued on 20 May 2014		
- Bonds Series A	1,860,053	2,100
- Bonds Series B	1,580,968	2,100
- Bonds Series C	1,374,795	2,100
	<u>4,815,816</u>	<u>6,300</u>
- Total number of Convertible Bonds converted during the current financial period	-	-
At 30 June 2014	<u>4,815,816</u>	<u>6,300</u>

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

	30 Jun 2014	31 Dec 2013
Total number of issued shares	<u>236,583,449</u>	<u>234,314,106</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 significant accounting policies are consistent with those of the audited financial statement for the year ended 31 December 2013 except for the adoption of the amended FRS 110 *Consolidated Financial Statements - Investment Entities* effective for financial period commencing 1 January 2014.

Prior to year 2014, the Group consolidated its wholly owned subsidiary, Little Rock Group Limited, in accordance with FRS 27 *Consolidated and Separate Financial Statements*.

The amended FRS 110 introduced an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* instead of consolidating those subsidiaries in its consolidated and separate financial statements. In accordance with the amendments, the Group has assessed that it meets the qualifying criteria of an investment entity. Accordingly, the Group has applied the exception from consolidation by accounting for its subsidiary, Little Rock Group Limited, at fair value through profit or loss.

During the financial year, a new wholly owned subsidiary, Killian Court Pte Ltd, was incorporated for investment holding purpose and accounted for at fair value through profit or loss.

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 FRS 110 is applied retrospectively and the changes are accounted for by restating the opening balances in the balance sheet as at 1 January 2014. This adoption of FRS 110 has resulted in a decrease of S\$0.59 million in the Group's Net Asset Value as at 31 December 2013.

The impact of the restatement is as follows:

	3 mths to 30 Jun 2013 S\$'000	6 mths to 30 Jun 2013 S\$'000
(i) <u>Impact on Consolidated Income Statement</u>		
Decrease in dividends/distributions from unquoted equity investments	-	(2,531)
Increase in dividends/distributions from subsidiary	2,946	2,946
Decrease in net gain on disposal of investments	(84)	(4,828)
(Decrease)/increase in net change in fair value of financial instruments	(2,345)	3,714
Decrease in impairment losses	-	203
Decrease in interest income	(2)	(3)
Decrease in operating expenses	4	5
	<hr/>	<hr/>
Impact on profit/(loss) before tax	519	(494)
Decrease in tax expense	-	462
	<hr/>	<hr/>
Net impact on profit/(loss) for the financial period attributable to owners of the Company	<u>519</u>	<u>(32)</u>
(ii) <u>Impact on Consolidated Statement of Comprehensive Income</u>	3 mths to 30 Jun 2013 S\$'000	6 mths to 30 Jun 2013 S\$'000
Net impact on profit/(loss) for the financial period	519	(32)
Decrease in fair value gains on available-for-sale investments	(519)	(529)
	<hr/>	<hr/>
Net impact on total comprehensive income for the financial period attributable to owners of the Company	<u>-</u>	<u>(561)</u>
(iii) <u>Impact on Earnings Per Share</u>	3 mths to 30 Jun 2013	6 mths to 30 Jun 2013
Earnings/(loss) 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	0.22 cts	(0.02) cts
(b) On a fully diluted basis	0.22 cts	(0.02) cts
(iv) <u>Impact on Statements of Financial Position</u>		As at 31 Dec 2013 S\$'000
Cash and cash equivalents (current)		(960)
Other current assets (current)		(3,358)
Investments - At fair value through profit or loss (non-current)		655
Investments - Available-for-sale (non-current)		(355)
Other payables (current)		3,349
Provision (current)		77
		<hr/>
Net impact on equity		<u>(592)</u>

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.

(Loss)/earnings per ordinary share
For the second quarter ended 30 June 2014

	Group			
	3 mths to 30 Jun 2014	3 mths to 30 Jun 2013 (Restated)	6 mths to 30 Jun 2014	6 mths to 30 Jun 2013 (Restated)
(Loss)/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	(0.46) cts	1.07 cts	(0.26) cts	18.59 cts
(b) On a fully diluted basis	(0.46) cts *	1.07 cts	(0.26) cts *	18.59 cts

	Group			
	3 mths to 30 Jun 2014	3 mths to 30 Jun 2013	6 mths to 30 Jun 2014	6 mths to 30 Jun 2013
(Loss)/earnings per ordinary share has been computed on the following weighted average number of shares:				
(a) Basic	235,070,554	234,314,106	234,692,330	234,314,106
(b) Diluted	235,070,554 *	234,314,106	234,692,330 *	234,314,106

* The earnings per share and weighted average number of shares for both basic and diluted basis are the same and have not included the outstanding Bonus Warrants and Convertible Bonds due to the antidilutive effects.

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	
	30 Jun 2014 S\$	31 Dec 2013 S\$ (Restated)	30 Jun 2014 S\$	31 Dec 2013 S\$ (Restated)
Net asset value per ordinary share based on issued share capital	0.45	0.49	0.45	0.49

Net asset value per ordinary share has been computed based on the number of shares in issue as at 30 June 2014 of 236,583,449 (31 December 2013: 234,314,106).

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.

2Q 2014

For the three months ended 30 June 2014, the Group reported total comprehensive income of S\$5.03 million. The gain was largely due to the increase in fair value of Fortune Code of S\$7.41 million and interest income of S\$0.58 million mainly from loan granted to a portfolio company. These were offset partially by the decrease in fair value of ACE of S\$1.75 million through direct and indirect interests and operating expenses of S\$1.12 million.

Net Asset Value ("NAV")

The Group's NAV as at 30 June 2014 was S\$107.12 million (representing a NAV of S\$0.45 per share), a decrease of S\$8.47 million from the NAV of S\$115.59 million (restated) (representing a NAV of S\$0.49 per share) as at 31 December 2013.

The decline in NAV of S\$8.47 million was mainly due to payment of interim dividend for FY2013 of S\$11.72 million on 22 May 2014 which was partially offset by proceeds of S\$2.9 million from the issuance of 2,269,343 new shares on Bonus Warrants exercised during the current financial period.

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.**

Pursuant to the EGM held on 29 April 2014, the Company had completed its internalisation exercise on 29 May 2014. The dividend was paid on 22 May 2014. The Bonus Warrants were allotted and issued on 19 May 2014 and the Convertible Bonds were issued on 20 May 2014. The change of company's name was effected on 29 April 2014.

The US economy managed to maintain relative stability amidst expectation that the Quantitative Measures are to end by the last quarter. The EU started some rate cuts to stimulate its growth but some sovereign bank risks remain. Japan had initiated its "third arrow" stimulus measures. Facing a potential property downturn risk, the China market faced more difficult financing conditions which moderated its GDP growth. Against the backdrop of the muted global economic landscape, TIH Limited continued its investment programme amidst its fund raising exercise. In recent months, while companies have resume tapping into the public markets, some of the public companies have also tapped into the alternative market funding like private equity funding sources for strategic and special situations. This has provided the Company with a wider choice of investment targets.

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 second quarter ended 30 June 2014.

13. Interested person transactions.

The Group does not have a shareholders' mandate for interested person transactions. The following transactions took place between the Group and interested persons during the second quarter ended 30 June 2014:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST)	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)
Transpac Capital Pte Ltd, the former Manager of the Company - Investment management fees*	S\$590,000	-
Certain funds and investment companies managed by Argyle Street Management Limited group ("ASML group"), a deemed controlling shareholder of the Company	During the financial period, the Company and ASML group had separately entered into a series of agreements to participate in the following investments:- (a) Placement and subscription of quoted shares in Comtec Solar Systems Group Limited. The Group's portion of the investment is S\$3,827,000. (b) Co-investment in Batavia Enterprise Limited ("Batavia"). The Group's portion of the investment of S\$2,207,000 is in the proportion of its equity holdings in Batavia.	-

* The fees are for services rendered by the former Manager pursuant to the Management Agreement dated 12 March 1994 (as renewed and amended pursuant to the terms thereof) entered into by the Company. The Management Agreement was disclosed in the Company's prospectus dated 12 March 1994.

On 30 December 2013, the Company entered into a Deed of Termination with the former Manager to terminate the Management Agreement in its entirety on Completion Date. On 29 May 2014, the Company announced that all conditions precedent to the Deed of Termination had been fulfilled and accordingly, the Management Agreement was terminated on 29 May 2014 (the "Completion Date"). The investment management fees of S\$590,000 was the fees paid to the former Manager for 1 January 2014 up to the Completion Date.

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.

(a) Status of proceeds from the issuance of Bonus Warrants on 19 May 2014

	S\$'000
Proceeds from the exercise of Bonus Warrants	
At 1 January 2014	-
Proceeds received for the current financial period	<u>2,904</u>
Balance of proceeds as at 30 June 2014	<u><u>2,904</u></u>

No proceeds have been utilised by the Company as at 30 June 2014.

(b) Status of proceeds from the issuance of Convertible Bonds on 20 May 2014

The proceeds from the issuance of zero coupon Convertible Bonds to Cosmic Ventures Limited at principal value of S\$6.3 million on 20 May 2014 have not been utilised as at 30 June 2014.

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 second quarter ended 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tham Shook Han
Company Secretary
12 August 2014