

# ANNUAL REPORT 2018

**TIH LIMITED**

(Unique Entity No.: 199400941K)





## *Contents*

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<b>Corporate Information.....</b>	<b>1</b>
<b>Chairman’s Statement.....</b>	<b>2</b>
<b>Operating and Financial Review by the Investment Manager .....</b>	<b>3</b>
<b>Top Ten Investments .....</b>	<b>4</b>
<b>Directors’ Statement .....</b>	<b>7</b>
<b>Independent Auditors’ Report.....</b>	<b>11</b>
<b>Statements of Financial Position .....</b>	<b>16</b>
<b>Consolidated Statement of Profit or Loss .....</b>	<b>17</b>
<b>Consolidated Statement of Comprehensive Income.....</b>	<b>18</b>
<b>Consolidated Statement of Changes in Equity .....</b>	<b>19</b>
<b>Statement of Changes in Equity .....</b>	<b>20</b>
<b>Consolidated Statement of Cash Flows .....</b>	<b>21</b>
<b>Notes to the Financial Statements .....</b>	<b>22</b>
<b>Supplementary Information .....</b>	<b>72</b>
<b>Corporate Governance Report.....</b>	<b>73</b>
<b>Sustainability Report.....</b>	<b>116</b>
<b>Shareholding Statistics .....</b>	<b>120</b>
<b>Notice of Twenty-Fifth Annual General Meeting .....</b>	<b>124</b>
<b>Proxy Form</b>	

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## Corporate Information

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### Board of Directors

Kin Chan (Chairman, Deemed Executive Director)  
 Wang Ya Lun Allen (Deemed Executive Director)  
 Li Yick Yee Angie (Non-Executive Director)  
 Vince Feng (Independent Director)  
 Liong Tong Kap (Lead Independent Director)  
 Thanathip Vidhayasirinun (Independent Director)  
 Alex Shiu Leung Au (Non-Executive Director)  
 Sin Boon Ann (Independent Director)  
 Tan Chade Phang (Roger) (Independent Director)

### Risk Governance Committee

Sin Boon Ann (Chairman)  
 Kin Chan  
 Wang Ya Lun Allen  
 Li Yick Yee Angie  
 Vince Feng  
 Liong Tong Kap  
 Thanathip Vidhayasirinun  
 Alex Shiu Leung Au  
 Tan Chade Phang (Roger)

### Company Secretary

Tham Shook Han, FCIS

### Investment Manager

TIH Investment Management Pte. Ltd.  
 137 Telok Ayer Street #03-07  
 Singapore 068602

### Audit Committee

Liong Tong Kap (Chairman)  
 Vince Feng  
 Thanathip Vidhayasirinun  
 Alex Shiu Leung Au

### Nominating Committee

Thanathip Vidhayasirinun (Chairman)  
 Liong Tong Kap  
 Kin Chan

### Remuneration Committee

Vince Feng (Chairman)  
 Sin Boon Ann  
 Li Yick Yee Angie

### Board Investment Committee

Vince Feng  
 Kin Chan  
 Alex Shiu Leung Au  
 Wang Ya Lun Allen (CEO of Investment Manager)

### Lead Independent Director

Liong Tong Kap

### Registrars and Share Transfer Office

Boardroom Corporate & Advisory Services Pte Ltd  
 50 Raffles Place  
 #32-01 Singapore Land Tower  
 Singapore 048623

### Bankers

Credit Suisse AG Hong Kong Branch  
 DBS Bank Ltd  
 United Overseas Bank Limited

### Auditors

KPMG LLP  
 Public Accountants and Chartered Accountants  
 16 Raffles Quay #22-00  
 Hong Leong Building  
 Singapore 048581

Partner in charge of audit:  
 Amit Sadana  
 (appointed from the financial year ended  
 31 December 2017)

### Unique Entity No.

199400941 K

### Registered Office

137 Telok Ayer Street  
 #03-07  
 Singapore 068602  
 Tel : 65 - 6224 1211  
 Fax : 65 - 6225 5538  
 Website: [www.tih.com.sg](http://www.tih.com.sg)

## *Chairman's Statement*

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On behalf of the Board of TIH Limited ("TIH" or the "Company"), I would like to present to you our annual report for the financial year ended 31 December 2018 ("FY2018").

FY2018 proved to be an eventful, albeit challenging year. TIH reported a total comprehensive deficit and net loss attributable to shareholders of S\$11.96 million, largely due to the fair value losses on equity investments at fair value through profit or loss. TIH's Net Asset Value ("NAV") as at 31 December 2018 was S\$114.67 million (representing a NAV of S\$0.47 per share), S\$11.96 million lower as compared to the NAV of S\$126.63 million (S\$0.52 per share) as at 31 December 2017.

TIH seeks to achieve long term return for our shareholders through:

- (i) appreciation and current income earned on our capital;
- (ii) asset management fee on funds that we manage, typically with Argyle Street Management ("ASM"); and
- (iii) advisory income we provide with ASM for our strategic partners.

We have hit the ground running in 2019. The strategy to fully utilise the Capital Markets Services License held by TIH Investment Management Pte. Ltd. ("TIHIM"), a wholly owned subsidiary of TIH, is off on its way. We have started various discussions with sponsors to raise non-dilutive capital in bespoke funds that target specific opportunities. This will add an additional income stream for us and tap on the deep bench we have assembled at TIHIM.

Backed by a recovering global economy, 2018 started off as a continuation of a decade-long market rally at Wall Street that gathered pace over the course of the year. But the last quarter of 2018 turned decidedly gloomy. A myriad of negative political and economic events conspired to be a rude awakening for the ageing bull. Markets started to correct significantly; volatility that seemed to have been banished reappeared with a vengeance.

As we enter 2019, there is a remarkable turnaround in market sentiment as global financial markets rebounded at the start of the year. It started when the US Federal Reserve made a surprise about-turn and became dovish as it stressed patience on rate hikes. Markets cheer. Other central bankers are likely to follow suit. Furthermore, trade wars and government shutdown are less of a concern than they once were. It is now evident that China and the US remain open to discussions to settle key trade disputes instead of resorting to triggering higher trade tariffs.

Our investment in Robyn Hode Capital Limited, a debt servicing specialist in China, is paying dividends, with the joint venture having turned profitable and having returned the initial capital investment. As China attempts to manage domestic issues and external factors such as trade wars and rising interest rates, the authorities are torn between the need to manage deleveraging and to allow credit to flow back into the private sector to support the slowing Chinese economy. Volatility is set to make a comeback, and liquidity will become scarce for corporates, which is expected to create opportunities for our growing debt servicing platform in China.

As an appreciation to shareholders who have supported TIH over the years, the Board of Directors has proposed to distribute a final dividend of 1.0 Singapore cent for FY2018. The proposed dividend is subject to shareholders' approval at the upcoming Annual General Meeting of the Company.

TIH has the backing of strategic shareholders with deep expertise across sectors and an extensive network in Greater China and Southeast Asia. Our business partners include prominent business families and financial institutions across Asia. We are well-positioned to leverage on our business network to develop win-win business opportunities with our business partners to enhance shareholder value.

We thank you for your continued support as we embark on this exciting journey. Your support is central to our future success.

Kin Chan  
Chairman  
15 March 2019

## *Operating and Financial Review by the Investment Manager*

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The Company is a private equity fund which primarily invests in companies with capital appreciation potential and the Group's income is primarily derived from the realisation and/or the revaluation of its portfolio investments at fair value in accordance with financial reporting standards.

During 2018, the Group made total investments of S\$6.99 million and divested two portfolios.

For the financial year ended 31 December 2018, the Group reported a total comprehensive deficit and net loss attributable to shareholders of S\$11.96 million. Group's net asset value ("NAV") decreased from S\$126.63 million (or S\$0.52 per share) last year to S\$114.67 million (or S\$0.47 per share) this year, a decrease of S\$11.96 million. The decrease was mainly attributable to fair value losses on equity investments at fair value through profit or loss ("FVTPL") (after adjusting for dividends from subsidiary of S\$3.47 million) of S\$9.56 million and operating expenses of S\$5.45 million which includes staff costs of S\$2.27 million, legal and professional fees of S\$1.0 million, and consultancy and advisory fee expense of S\$0.98 million. This was partially offset by other operating income of S\$2.18 million mainly from consultancy services and advisory fee income, and interest income of S\$0.83 million from a loan granted to a portfolio company.

The net loss in equity investments at FVTPL of S\$9.56 million was mainly attributed to the following portfolio investments:

- (i) decrease in fair value of Fortune Code Limited of S\$17.23 million.

The losses were offset partially by:

- (ii) increase in fair value of Bowen Road Limited of S\$3.33 million;
- (iii) increase in fair value of Sungei Road Limited of S\$1.87 million;
- (iv) increase in fair value of K2 Venture Capital Company Limited of S\$0.73 million;
- (v) increase in fair value of ASM Connaught House General Partner II Limited of S\$0.72 million; and
- (vi) increase in fair value of Robyn Hode Capital Limited of S\$0.52 million.

According to the World Bank's latest forecast, global economic growth is expected to slow to 2.9% this year, down from 3.0% in its earlier forecast, amid trade tensions between the United States and China, mounting interest rates and increasing government and corporate debt among the poorest countries. While global growth is still resilient, the World Bank has called for countries to implement a robust policy framework to deal with potential headwinds from a slowing economy and rising risk. Southeast Asia's private equity market remains bullish, where investors remain attracted to the region's robust macroeconomic fundamentals, investment opportunities in maturing startups, strong exit momentum, healthy returns and a deepening secondary market. Given increasing dry powder volume in the region, investors will have to face intensifying competition and rising valuations. The Company will leverage on the current fluctuations in the financial market and actively be on the lookout for special situations, corporates deleveraging and non-core secondary assets at appealing valuations. Additionally, the Company's deep experience in corporate finance and extensive network of strategic relationships in Greater China and Southeast Asia enables it to expertly source for opportunities for venture capital investments and long-term investments in attractive companies.

Yours sincerely  
TIH Investment Management Pte. Ltd.  
Allen Wang  
Chief Executive Officer  
15 March 2019

## Top Ten Investments

### 10 Largest Investments as at 31 December 2018<sup>+</sup>

Group	Sector	Cost S\$'000	Carrying Amount As At 31 December 2018 S\$'000	% of Shareholding	Share of Underlying Earnings # S\$'000	Net Assets (at book value) Attributable To Investments # S\$'000	Gross Dividends/ Distributions S\$'000
<i><u>Equity investments at fair value through profit or loss</u></i>							
Fortune Code Limited	Property and Development	56,830 <sup>^</sup>	42,912 <sup>^</sup>	7.95	(834)	14,431	–
ASM Connaught House General Partner II Limited	Financial Services	22,054	26,820	30.00	534	26,994	–
Bowen Road Limited	Consumer Services	8,744	16,635	20.59	3,024	16,635	–
Sungei Road Limited	Financial Services	10,109	10,782	12.50	1,650	10,782	1,418
TIHT Investment Holdings Pte. Ltd.	Financial Services / Electronic Components	173	4,417	55.00	(366)	4,417	1,092
ASM Connaught House Fund III	Financial Services	3,388	3,440	2.74 *	67 ~	3,455 ~	–
Batavia Enterprise Limited	Property and Development	2,255	2,785	44.00	(88)	2,700	–
TIHT Investment Holdings II Pte. Ltd.	Financial Services / Healthcare / Resources	1,567	2,632	55.00	n.a.	n.a.	–
Alpha Plus Venture Limited	Consumer Services	2,559	2,532	13.29	n.a.	n.a.	405
K2 Venture Capital Company Limited	Financial Services	2,072	2,485	50.00	5	2,485	–
<b>Total</b>		<u>109,751</u>	<u>115,440</u>				

<sup>+</sup> : As at 31 December 2018, the Group's investments comprised 17 portfolio companies which includes investments held via the Company and its wholly owned subsidiaries, Little Rock Group Limited and Killian Court Pte. Ltd.. The above top 10 investments represent approximately 96.16% of the carrying amount of the Group's total equity investments at fair value through profit or loss and debt investment at fair value through profit or loss as at 31 December 2018. There were no extraordinary items related to these investments.

<sup>^</sup> : Includes interest bearing debt investment at fair value through profit or loss.

\* : Based on committed capital.

# : Based on management accounts for the year ended 31 December 2018.

~ : Based on limited partner's statement as at 31 December 2018.

n.a.: Not applicable.



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Notes:

The Group adopted Singapore Financial Reporting Standards (International) (SFRS(I)) with effect from 1 January 2018 and classifies its investments into two categories: equity investments at fair value through profit or loss (“FVTPL”) and debt investment at FVTPL (See Note 3.3(i) of the Financial Statements for further details).

Realised and unrealised gains and losses arising from changes in the fair value of equity investments at FVTPL category are included in the profit or loss statement in the period in which they arise. As at 31 December 2018, the Group has one equity portfolio investment which was held directly through the parent company, TIH Limited, and two controlled subsidiary investments, Little Rock Group Limited and Killian Court Pte. Ltd., which do not provide investment-related services. These equity portfolio investment and subsidiaries were measured at equity investments at FVTPL in accordance with SFRS(I) 9 *Financial Instruments*.

Interest income from debt investment at FVTPL was recognised in the profit or loss statement.

**(1) Equity investments at FVTPL**

*During the financial year ended 31 December 2018, the Group recorded net fair value loss of S\$9.56 million on equity investments at FVTPL (after adjusting for dividends from subsidiary of S\$3.47 million) which include the following portfolio investments held directly/indirectly through the Company and the subsidiaries:*

- (a) unrealised loss of S\$17.23 million from investment in Fortune Code Limited.*
- (b) unrealised gains from unquoted investments of S\$7.1 million mainly due to:*
  - fair value gain from Bowen Road Limited of S\$3.33 million;*
  - fair value gain from Sungei Road Limited of S\$1.87 million;*
  - fair value gain from K2 Venture Capital Company Limited of S\$0.73 million;*
  - fair value gain from ASM Connaught House General Partner II Limited of S\$0.72 million;*  
*and*
  - fair value gain from Robyn Hode Capital Limited of S\$0.52 million.*
- (c) realised gains from the divestment of unquoted investments of S\$0.57 million.*

**(2) Debt investment at FVTPL**

*During the financial year ended 31 December 2018, the Group recorded interest income from debt investment at FVTPL of S\$0.83 million from a loan granted to a portfolio company.*

## Distribution of Investments by Country and Industry as at 31 December 2018

SS '000	China / Hong Kong	Indonesia	Japan	Malaysia	Singapore	Taiwan	Thailand	Others	Total At Cost	Fair Value	Fair Value as % of Group NTA <sup>#</sup>
Consumer Products	-	489	-	-	-	-	-	-	489	-	-
Consumer Services	-	8,744	-	2,559	-	-	-	-	11,303	19,167	16.72
Electronics Components	-	-	-	-	-	-	-	-	-	3,666	3.20
Financial Services	370	12,415	806	-	373	-	2,175	25,713	41,852	49,829	43.44
Healthcare	-	-	-	-	1,076	-	-	-	1,076	1,662	1.45
Property and Development	-	-	-	-	56,830 <sup>^</sup>	2,255	-	-	59,085	45,697	39.85
Resources	-	-	-	-	-	-	-	24	24	29	0.03
At Cost	370	21,648	806	2,559	58,279	2,255	2,175	25,737	113,829	120,050	104.69
At Fair Value	839	29,713	803	2,532	49,398 <sup>^</sup>	2,785	2,546	31,434		120,050	104.69
Fair value as % of Group NTA <sup>#</sup>	0.73	25.91	0.70	2.21	43.08	2.43	2.22	27.41		104.69	

### Notes:

<sup>^</sup>: Includes interest bearing debt investment at fair value through profit or loss.

<sup>#</sup>: Based on Group NTA of \$114,673,000 as at 31 December 2018.

**Directors' Statement***Year ended 31 December 2018*

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2018.

In our opinion:

- (a) the financial statements set out on pages 16 to 72 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

**Directors**

The Directors of the Company in office at the date of this statement are as follows:

Kin Chan	(Chairman, Deemed Executive Director)
Wang Ya Lun Allen	(Deemed Executive Director)
Vince Feng	(Independent Director)
Liong Tong Kap	(Lead Independent Director)
Li Yick Yee Angie	(Non-Executive Director)
Thanathip Vidhayasirinun	(Independent Director)
Alex Shiu Leung Au	(Non-Executive Director) (Appointed 1 June 2018)
Sin Boon Ann	(Independent Director) (Appointed 1 June 2018)
Tan Chade Phang (Roger)	(Independent Director) (Appointed 1 June 2018)

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## Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of Directors	Directors' interests in shares			
	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Kin Chan	–	–	129,011,216	51,473,500
Li Yick Yee Angie	–	–	129,011,216	51,473,500
Wang Ya Lun Allen	–	129,900	–	–

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

On 4 January 2019, Mr Wang Ya Lun Allen acquired an additional 1,200,000 shares in TIH Limited. His holdings in TIH Limited as at 21 January 2019 is 1,329,900.

There were no other changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2019.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since 30 January 2015, the Company has a Strategic Support Services Agreement which was amended by an Amendment Agreement dated 30 May 2016 and a Second Amendment Agreement dated 5 June 2017, with ASM Administration Limited, pursuant to which, ASM Administration Limited renders services of sourcing of potential investment opportunities for TIH Limited. Mr Kin Chan and Ms Angie Li are both directors in ASM Advisors Limited, the corporate director of ASM Administration Limited.

## Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

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## Audit Committee

The members of the Audit Committee (“AC”) during the year and at the date of this statement are:

- Liong Tong Kap (Chairman), lead independent director
- Thanathip Vidhayasirinun, independent director
- Vince Feng, independent director
- Alex Shiu Leung Au, non-executive director (Appointed on 1 June 2018)

The AC performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The AC has held four meetings since the last directors’ statement. In performing its functions, the Audit Committee met with the Company’s external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company’s internal accounting control system.

The AC also reviewed the following:

- (a) the audit plan of the Company’s auditors;
- (b) the scope and results of external audit procedures and the response by the Investment Manager<sup>1</sup>;
- (c) the guidelines for corporate governance as set forth by the Singapore Code of Corporate Governance 2012 issued on 2 May 2012;
- (d) the assistance provided by the Investment Manager to the auditors;
- (e) the quarterly financial information and annual financial statements of the Group and of the Company prior to their submission to the Board of Directors and the auditor’s report on those financial statements;
- (f) the scope and results of the internal audit procedures as audited by the internal auditors, on the effectiveness of the internal controls of the Company; and
- (g) interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The AC has full access to the staff and senior management of the Investment Manager and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or the Investment Manager to attend its meetings. The AC also recommends the appointment of external auditors and reviews the level of audit and non-audit fees.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

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<sup>1</sup> Via an Investment Management Agreement dated 1 September 2014, entered into between the Company and TIH Investment Management Pte. Ltd. (the “Investment Manager”), the management of the Company has been vested in the Investment Manager.

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**Auditors**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

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**Kin Chan**  
*Chairman*

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**Wang Ya Lun Allen**  
*Director*

15 March 2019

# *Independent Auditors' Report*

*To the Members of TIH Limited*

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## **Report on the audit of the financial statements**

### *Opinion*

We have audited the accompanying financial statements of TIH Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2018, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 72.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of investments amounting to \$81,632,000  
(Refer to Note 7 to the financial statements)**

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group holds interests in its portfolio companies via various types of financial instruments, comprising quoted and unquoted equity securities, unquoted funds, convertible instruments, and unquoted debt securities.</p> <p>The financial instruments were valued based on the following valuation approaches:</p> <ul style="list-style-type: none"> <li>● Unquoted equities were valued based on the adjusted net asset value method, market approach or transaction price;</li> <li>● Unquoted funds were valued based on the net asset value of the Group’s interest in the funds as at 31 December 2018, as reported by the external fund managers;</li> <li>● Convertible instruments were valued using applicable pricing models; and</li> <li>● Unquoted debt securities were valued based on the loan amortisation approach.</li> </ul> <p>The key audit matter relates to the valuation of unquoted investments as the valuation is generally based on methodologies that apply significant unobservable inputs which entail a significant degree of estimation uncertainty and management judgement.</p>	<p>Our approach to review the valuation of investments included the following:</p> <ul style="list-style-type: none"> <li>● Assessing the appropriateness of the valuation methodologies adopted;</li> <li>● Reviewing the reasonableness of inputs applied;</li> <li>● Involving our valuation specialists in the review of significant investments which are convertible instruments or valued using the market approach to assess if the Group’s valuation was within a reasonable range; and</li> <li>● Assessing the adequacy of disclosures.</li> </ul> <p>Additional procedures were performed for each investment selected based on the applicable valuation methodology, as follows:</p> <ul style="list-style-type: none"> <li>● Unquoted equities</li> </ul> <p>The investment holding companies hold mainly investments and cash at bank; and are valued based on the net asset value. We assessed if the underlying investments were carried at fair value. We noted that a discount for lack of marketability (“DLOM”) was applied to an investment holding company which held interests in underlying quoted equities.</p> <p>Interests in portfolio companies with active operations are valued using the market approach. We involved our valuation specialists in the assessment of the appropriateness of comparable companies selected as well as choice of multiples and assumptions applied by the Group in the determination of fair value.</p>



**Valuation of investments amounting to \$81,632,000 (cont'd)**  
**(Refer to Note 7 to the financial statements)**

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
	<p>For investments valued at transaction prices, we have assessed the appropriateness of the transaction price being an approximation of fair value, taking into consideration the nature and timing of the transactions as well as industry and life-cycle of the investments.</p> <ul style="list-style-type: none"> <li data-bbox="820 712 1078 741">● Unquoted funds</li> </ul> <p>Interests in unquoted funds were valued based on the unaudited net asset values reported by external fund managers as at 31 December 2018. In assessing the reliability of using unaudited financial information provided by the external fund managers, we performed a retrospective review by comparing the unaudited financial information provided during the previous year to the audited financial information.</p> <ul style="list-style-type: none"> <li data-bbox="820 1151 1166 1180">● Convertible instruments</li> </ul> <p>Our valuation specialists reviewed the assumptions and inputs applied in Group's valuations and independently estimated a range of fair values.</p> <ul style="list-style-type: none"> <li data-bbox="820 1375 1177 1404">● Unquoted debt securities</li> </ul> <p>The value of underlying debt securities held by the portfolio companies were estimated by applying the discounted cash flow approach.</p> <p>We noted that the valuation estimates determined by the Group are within a reasonable range of outcomes. We also noted that the Group's disclosures were appropriate.</p>

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### *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- 
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Amit Sadana.

### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

15 March 2019

## Statements of Financial Position

As at 31 December 2018

		Group			Company		
	Note	2018	2017	1 Jan	2018	2017	1 Jan
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	4	<b>12,903</b>	8,920	23,086	<b>8,508</b>	4,919	20,551
Other receivables	5	<b>1,270</b>	1,274	990	<b>803</b>	826	806
Amounts due from related parties		<b>375</b>	853	108	<b>374</b>	851	101
Loan receivable	6	–	38,785	31,499	–	38,785	31,499
Debt investment at FVTPL	6	<b>38,418</b>	–	–	<b>38,418</b>	–	–
		<b>52,966</b>	49,832	55,683	<b>48,103</b>	45,381	52,957
<b>Non-current assets</b>							
Investments							
- Equity investments at FVTPL	7	<b>81,632</b>	74,828	69,393	<b>81,632</b>	74,828	69,393
- Available-for-sale	8	–	21,728	17,768	–	21,728	17,768
- Subsidiary	9	–	–	–	<b>7,000</b>	7,000	5,000
		<b>81,632</b>	96,556	87,161	<b>88,632</b>	103,556	92,161
Property, plant and equipment	10	<b>35</b>	20	36	–	–	–
		<b>81,667</b>	96,576	87,197	<b>88,632</b>	103,556	92,161
<b>Total assets</b>		<b>134,633</b>	146,408	142,880	<b>136,735</b>	148,937	145,118
<b>Liabilities</b>							
<b>Current liabilities</b>							
Other payables	11	<b>19,960</b>	19,776	18,234	<b>19,062</b>	18,885	17,612
Derivatives		–	–	2	–	–	2
Convertible bonds	12	–	–	4,153	–	–	4,153
<b>Total liabilities</b>		<b>19,960</b>	19,776	22,389	<b>19,062</b>	18,885	21,767
<b>Net assets</b>		<b>114,673</b>	126,632	120,491	<b>117,673</b>	130,052	123,351
<b>Equity attributable to owners of the Company</b>							
Share capital	13	<b>56,650</b>	56,650	56,650	<b>56,650</b>	56,650	56,650
Retained earnings		<b>57,467</b>	58,419	56,238	<b>60,467</b>	61,839	59,098
Capital reserve	14	<b>556</b>	556	556	<b>556</b>	556	556
Fair value reserve	14	–	11,007	7,047	–	11,007	7,047
<b>Total equity</b>		<b>114,673</b>	126,632	120,491	<b>117,673</b>	130,052	123,351

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Profit or Loss**

Year ended 31 December 2018

	Note	Group	
		2018 \$'000	2017 \$'000
Dividends from subsidiary		3,470	4,031
Net change in fair value of equity investments at FVTPL		(13,034)	2,867
Net change in fair value of derivative financial instruments		–	31
Interest income from loan receivable		–	1,468
Interest income from debt investment at FVTPL		832	–
<b>Net (loss)/gains from investments</b>		<b>(8,732)</b>	<b>8,397</b>
Other operating income		2,176	835
<b>Total investment (loss)/income</b>		<b>(6,556)</b>	<b>9,232</b>
Finance income		70	45
Finance costs		(28)	(149)
<b>Net finance income/(costs)</b>	18	<b>42</b>	<b>(104)</b>
Operating expenses		(5,445)	(4,530)
<b>(Loss)/profit before tax</b>		<b>(11,959)</b>	<b>4,598</b>
Income tax	19	–	–
<b>(Loss)/profit for the year attributable to owners of the Company</b>	20	<b>(11,959)</b>	<b>4,598</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	21(a)	<b>(4.95)</b>	1.90
Diluted earnings per share (cents)	21(b)	<b>(4.95)</b>	1.90

The accompanying notes form an integral part of these financial statements.

## *Consolidated Statement of Comprehensive Income*

*Year ended 31 December 2018*

	<b>Group</b>	
	<b>2018</b> <b>\$'000</b>	2017 \$'000
<b>(Loss)/profit for the year</b>	<b>(11,959)</b>	4,598
<b>Other comprehensive income</b>		
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Net change in fair value of available-for-sale investments	–	3,960
Tax on items that are or may be reclassified subsequently to profit or loss	–	–
<b>Other comprehensive income for the year, net of tax</b>	<b>–</b>	<b>3,960</b>
<b>Total comprehensive (deficit)/income for the year attributable to owners of the Company</b>	<b>(11,959)</b>	<b>8,558</b>

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

Year ended 31 December 2018

	Note	Share capital \$'000	Capital reserve (Note 14) \$'000	Fair value reserve (Note 14) \$'000	Retained earnings \$'000	Total \$'000
<b>Group</b>						
<b>2018</b>						
At 1 January 2018		56,650	556	11,007	58,419	126,632
Adjustment on initial application of SFRS(I) 9 (net of tax)	3.14	–	–	(11,007)	11,007	–
Adjusted balance at 1 January 2018		56,650	556	–	69,426	126,632
<b>Total comprehensive deficit for the year</b>						
Loss for the year		–	–	–	(11,959)	(11,959)
<b>Total comprehensive deficit for the year</b>		–	–	–	(11,959)	(11,959)
<b>At 31 December 2018</b>		<b>56,650</b>	<b>556</b>	<b>–</b>	<b>57,467</b>	<b>114,673</b>
<b>2017</b>						
At 1 January 2017		56,650	556	7,047	56,238	120,491
<b>Total comprehensive income for the year</b>						
Profit for the year		–	–	–	4,598	4,598
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale investments		–	–	3,960	–	3,960
Tax on other comprehensive income		–	–	–	–	–
Total other comprehensive income, net of tax		–	–	3,960	–	3,960
<b>Total comprehensive income for the year</b>		–	–	3,960	4,598	8,558
<b>Transactions with owners, recognised directly in equity</b>						
<i>Distributions to owners of the Company</i>						
Dividends paid	15	–	–	–	(2,417)	(2,417)
<b>At 31 December 2017</b>		<b>56,650</b>	<b>556</b>	<b>11,007</b>	<b>58,419</b>	<b>126,632</b>

The accompanying notes form an integral part of these financial statements.

## Statement of Changes in Equity

Year ended 31 December 2018

	Note	Share capital \$'000	Capital reserve (Note 14) \$'000	Fair value reserve (Note 14) \$'000	Retained earnings \$'000	Total \$'000
<b>Company</b>						
<b>2018</b>						
At 1 January 2018		56,650	556	11,007	61,839	130,052
Adjustment on initial application of SFRS(I) 9 (net of tax)	3.14	–	–	(11,007)	11,007	–
Adjusted balance at 1 January 2018		56,650	556	–	72,846	130,052
<b>Total comprehensive deficit for the year</b>						
Loss for the year		–	–	–	(12,379)	(12,379)
<b>Total comprehensive deficit for the year</b>		–	–	–	(12,379)	(12,379)
<b>At 31 December 2018</b>		<b>56,650</b>	<b>556</b>	<b>–</b>	<b>60,467</b>	<b>117,673</b>
<b>2017</b>						
At 1 January 2017		56,650	556	7,047	59,098	123,351
<b>Total comprehensive income for the year</b>						
Profit for the year		–	–	–	5,158	5,158
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale investments		–	–	3,960	–	3,960
Tax on other comprehensive income		–	–	–	–	–
Total other comprehensive income, net of tax		–	–	3,960	–	3,960
<b>Total comprehensive income for the year</b>		–	–	3,960	5,158	9,118
<b>Transactions with owners, recognised directly in equity</b>						
<i>Distributions to owners of the Company</i>						
Dividends paid	15	–	–	–	(2,417)	(2,417)
<b>At 31 December 2017</b>		<b>56,650</b>	<b>556</b>	<b>11,007</b>	<b>61,839</b>	<b>130,052</b>

The accompanying notes form an integral part of these financial statements.



## Consolidated Statement of Cash Flows

Year ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(11,959)	4,598
Adjustments for:			
Interest income from deposits	18	(70)	(45)
Interest income from loan receivable		–	(1,468)
Interest income from debt investment at FVTPL		(832)	–
Dividends from subsidiary		(3,470)	(4,031)
Depreciation on property, plant and equipment	10	18	28
Interest expense on financial liabilities measured at amortised cost	18	–	47
Net change in fair value of equity investments at FVTPL		13,034	(2,867)
Net change in fair value of derivative financial instruments		–	(31)
Unrealised exchange loss/(gain)		121	(340)
		<b>(3,158)</b>	<b>(4,109)</b>
Changes in operating assets and liabilities			
Equity investments at FVTPL		1,890	(2,568)
Loan receivable		–	(5,818)
Debt investment at FVTPL		1,199	–
Other receivables		7	(281)
Amounts due from related parties		478	(745)
Other payables		58	1,979
Cash generated from/(used in) operations		474	(11,542)
Dividends from subsidiary		3,470	4,031
Net interest received		67	42
Settlement of derivatives		–	29
Income tax paid		–	–
<b>Net cash generated from/(used in) operating activities</b>		<b>4,011</b>	<b>(7,440)</b>
<b>Cash flows from investing activity</b>			
Purchase of property, plant and equipment	10	(33)	(12)
<b>Net cash used in investing activity</b>		<b>(33)</b>	<b>(12)</b>
<b>Cash flows from financing activities</b>			
Redemption of convertible bonds	12	–	(4,200)
Dividends paid	15	–	(2,417)
<b>Net cash used in financing activities</b>		<b>–</b>	<b>(6,617)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,978</b>	<b>(14,069)</b>
Cash and cash equivalents at 1 January		8,920	23,086
Effect of exchange rate fluctuations on cash held		5	(97)
<b>Cash and cash equivalents at 31 December</b>	4	<b>12,903</b>	<b>8,920</b>

The accompanying notes form an integral part of these financial statements.

# *Notes to the Financial Statements*

*Year ended 31 December 2018*

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These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 March 2019.

## **1 Domicile and activities**

TIH Limited (the “Company”) is incorporated and domiciled in Singapore and its shares are publicly traded on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of its registered office is at 137 Telok Ayer Street, #03-07, Singapore 068602.

The Company is a private equity investment company which invests primarily in companies located in Asia including principally China/Hong Kong SAR, Taiwan, Singapore, Malaysia, Thailand, Indonesia and Japan.

The investments that are accounted for as subsidiaries are further explained in Note 3.1.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the “Group”).

## **2 Basis of preparation**

### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”). These are the Group’s first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* have been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore (“FRS”). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 have affected the reported financial position, financial performance and cash flows is provided in Note 3.14.

### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

### **2.3 Functional and presentation currency**

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

### **2.4 Use of estimates and judgements**

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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## 2 Basis of preparation (continued)

### 2.4 Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 3.1(i) – determining whether the Company meets the definition of an investment entity.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 17 – fair value determination of investments.

#### Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports to the Board of Directors.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Board of Directors.

Fair values of financial assets that are traded in active markets are based on quoted prices. For unquoted investments, the valuation team determines fair values using valuation approaches such as multiples and recent comparable transactions. The objective is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. Derivative financial instruments are based on dealer price quotations.

The valuation of the unquoted investments involves estimates, assumptions and judgement based upon available information and does not necessarily represent amounts which might ultimately be realised, since such amounts depend on future events. Due to the inherent uncertainty of valuation, the estimated fair values for the unquoted investments may differ significantly from the amounts that might ultimately be realised.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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## **2 Basis of preparation (continued)**

### **2.4 Use of estimates and judgements (continued)**

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 17 – financial instruments.

## **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 January 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by Group entities.

### **3.1 Investment entity and basis of consolidation**

#### **(i) Investment entity**

In determining whether the Company meets the definition of an investment entity, management considered the business purpose and structure of the Group as a whole. The Company has been deemed to meet the definition of an investment entity as the Company obtains funds for the purpose of providing investors with professional investment management services, and manages the investment portfolio on a fair value basis as the Group seeks to invest for capital appreciation and investment income. Consequently, the Company measures its controlled subsidiary investments which do not provide investment-related services, at FVTPL.

#### **(ii) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company holds controlled subsidiary investments which include special purpose entities (“SPEs”) and a wholly owned subsidiary which provides investment-related services. The SPEs have no operations and are incorporated for the purpose of holding underlying investments (the ‘portfolio companies’) on behalf of the Company. Consequently, these subsidiary investments are measured at FVTPL. The investment in the subsidiary which provides investment-related services is consolidated from the date the control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interest (“NCI”) in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

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### **3 Significant accounting policies (continued)**

#### **3.1 Investment entity and basis of consolidation (continued)**

##### **(ii) Subsidiaries (continued)**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### **(iii) Associates**

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates which are held as part of the Group's investment portfolio are designated upon initial recognition as investments at FVTPL as their performance is evaluated on a fair value basis. This treatment is permitted by SFRS(I) 1-28 *Investments in Associates and Joint Ventures* which allows investments held by Investment Entities to be recognised and measured at FVTPL and accounted for in accordance with SFRS(I) 9 *Financial Instrument*, with changes in fair value recognised in the profit or loss in the period of change. In accordance with SFRS(I) 9, investments in associates are accounted for in the same way in the Company's financial statements.

##### **(iv) Subsidiary in the separate financial statements**

Investment in subsidiary that provides investment-related services are stated in the Company's statement of financial position at cost less accumulated impairment losses.

#### **3.2 Foreign currency**

##### **Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

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### 3 Significant accounting policies (continued)

#### 3.3 Financial instruments

##### (i) Recognition and initial measurement

###### *Non-derivative financial assets and financial liabilities*

The Group initially recognises loans and receivables and deposits on the date they are originated.

All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

##### (ii) Classification and subsequent measurement

###### *Non-derivative financial assets – Policy applicable from 1 January 2018*

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

###### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### *Debt investments at FVOCI*

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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### 3 Significant accounting policies (continued)

#### 3.3 Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

###### *Equity investments at FVOCI*

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

###### *Financial assets at FVTPL*

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

###### ***Financial assets: Business model assessment – Policy applicable from 1 January 2018***

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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### 3 Significant accounting policies (continued)

#### 3.3 Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

###### *Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018*

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

###### *Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018*

###### *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

###### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.



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### 3 Significant accounting policies (continued)

#### 3.3 Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

###### *Debt investments at FVOCI*

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

###### *Equity investments at FVOCI*

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

###### ***Non-derivative financial assets – Policy applicable before 1 January 2018***

The Group classifies non-derivative financial assets into the following categories: financial assets at FVTPL, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

###### ***Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 January 2018***

###### *Financial assets at FVTPL*

A financial asset is classified at FVTPL if it is classified as an investment in subsidiary which does not provide investment-related services, investment in associate, held for trading or is designated as such upon initial recognition. Financial assets are designated at FVTPL if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at FVTPL are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as held for trading are equity securities acquired for the purpose of selling or repurchase in the short term.

Financial assets designated at FVTPL comprise equity securities that otherwise would have been classified as available-for-sale.

###### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, loan receivable and other receivables.

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### 3 Significant accounting policies (continued)

#### 3.3 Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

###### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

###### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

###### ***Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses – Policy applicable before 1 January 2018***

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised other payables.

##### (iii) Derecognition

###### ***Financial assets***

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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### 3 Significant accounting policies (continued)

#### 3.3 Financial instruments (continued)

##### (iii) Derecognition (continued)

###### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

##### (v) Derivative financial instruments and hedge accounting

###### *Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018*

The Group uses derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss. The Group does not apply hedge accounting.

###### *Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018*

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, embedded derivatives are not separated from host contracts that are financial assets in the scope of SFRS(I) 9. Instead, the hybrid financial instrument is assessed as a whole for classification of financial assets under SFRS(I) 9.

##### (vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

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### 3 Significant accounting policies (continued)

#### 3.4 Impairment

##### (i) Non-derivative financial assets

###### *Policy applicable from 1 January 2018*

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

###### *General approach*

The Group applies the general approach to provide for ECLs on all financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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### 3 Significant accounting policies (continued)

#### 3.4 Impairment (continued)

##### (i) Non-derivative financial assets (continued)

###### *Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

###### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

###### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

###### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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### 3 Significant accounting policies (continued)

#### 3.4 Impairment (continued)

##### (i) Non-derivative financial assets (continued)

###### *Policy applicable before 1 January 2018*

A financial asset not carried at FVTPL, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

###### **Loans and receivables**

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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### 3 Significant accounting policies (continued)

#### 3.4 Impairment (continued)

##### (i) Non-derivative financial assets (continued)

###### Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

##### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

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### 3 Significant accounting policies (continued)

#### 3.4 Impairment (continued)

##### (ii) Non-financial assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 3.5 Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

##### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of the property, plant and equipment.

The estimated useful lives are as follows:

Leasehold improvements	3 years or remaining lease period, whichever is shorter
Computer software/equipment	1 to 3 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.



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### **3 Significant accounting policies (continued)**

#### **3.6 Employee benefits**

##### **Defined contribution plans**

A defined contribution plan is an employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts when an employee ceases to be employed. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

##### **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### **3.7 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### **3.8 Investment income**

Investment income comprises dividend income, interest income, gains from realisation of investments and changes in fair value of investments.

##### **(i) Dividend income**

Dividend income is recognised when the right to receive payment is established.

##### **(ii) Interest income**

Interest income on debt instruments is recognised on an accrual basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues amortising the discount as interest income on the recoverable amount.

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### **3 Significant accounting policies (continued)**

#### **3.9 Finance income and finance cost**

Finance income comprises interest income on cash and cash equivalents. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance cost comprises interest expense on borrowings and amortisation of financial liabilities that are recognised in profit or loss.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

#### **3.10 Tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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### **3 Significant accounting policies (continued)**

#### **3.10 Tax (continued)**

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

#### **3.11 Dividends**

Interim dividends are recorded in the year in which they are declared payable. Final dividends are recorded during the year in which the dividends are approved by the shareholders at the annual general meeting.

#### **3.12 Earnings per share**

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprises convertible bonds and bonus warrants.

#### **3.13 Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

#### **3.14 Explanation of transition to SFRS(I) and adoption of new standards**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual periods beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As stated in Note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with SFRS(I).

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### 3 Significant accounting policies (continued)

#### 3.14 Explanation of transition to SFRS(I) and adoption of new standards (continued)

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The adoption of SFRS(I) has had no material impact on the Group's and Company's statement of financial position as at 1 January 2017 and 31 December 2017, statement of profit or loss, statement of comprehensive income and statement of cash flows for the year ended 31 December 2017.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS(I) – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

As an investment entity whose principal operation is that of a private equity investment company, the Group has assessed the application of the above standards and interpretations to have an insignificant impact on the financial statements, except for SFRS(I) 9.

An explanation of how the adoption of SFRS(I) 9 have affected the Group's financial position is set out under the summary of quantitative impact and the accompanying notes.

### 3 Significant accounting policies (continued)

#### 3.14 Explanation of transition to SFRS(I) and adoption of new standards (continued)

##### Statements of financial position

	Group			Company				
	31		SFRS(I) 9 \$'000	1 January	1 January	31		1 January
	2017	December		2018	2017	December	2018	
	SFRS(I) framework \$'000	SFRS(I) framework \$'000		SFRS(I) framework \$'000	SFRS(I) framework \$'000	SFRS(I) framework \$'000	SFRS(I) 9 \$'000	SFRS(I) framework \$'000
<b>Assets</b>								
Cash and cash equivalents	23,086	8,920	–	8,920	20,551	4,919	–	4,919
Other receivables	990	1,274	–	1,274	806	826	–	826
Amounts due from related parties	108	853	–	853	101	851	–	851
Loan receivable	31,499	38,785	(38,785)	–	31,499	38,785	(38,785)	–
Debt investment at FVTPL	–	–	38,785	38,785	–	–	38,785	38,785
<b>Current assets</b>	<b>55,683</b>	<b>49,832</b>	<b>–</b>	<b>49,832</b>	<b>52,957</b>	<b>45,381</b>	<b>–</b>	<b>45,381</b>
Investments								
- Equity investments at FVTPL	69,393	74,828	21,728	96,556	69,393	74,828	21,728	96,556
- Available-for-sale	17,768	21,728	(21,728)	–	17,768	21,728	(21,728)	–
- Subsidiary	–	–	–	–	5,000	7,000	–	7,000
Property, plant and equipment	36	20	–	20	–	–	–	–
<b>Non-current assets</b>	<b>87,197</b>	<b>96,576</b>	<b>–</b>	<b>96,576</b>	<b>92,161</b>	<b>103,556</b>	<b>–</b>	<b>103,556</b>
<b>Total assets</b>	<b>142,880</b>	<b>146,408</b>	<b>–</b>	<b>146,408</b>	<b>145,118</b>	<b>148,937</b>	<b>–</b>	<b>148,937</b>
<b>Liabilities</b>								
Other payables	18,234	19,776	–	19,776	17,612	18,885	–	18,885
Derivatives	2	–	–	–	2	–	–	–
Convertible bonds	4,153	–	–	–	4,153	–	–	–
<b>Total liabilities</b>	<b>22,389</b>	<b>19,776</b>	<b>–</b>	<b>19,776</b>	<b>21,767</b>	<b>18,885</b>	<b>–</b>	<b>18,885</b>
<b>Net assets</b>	<b>120,491</b>	<b>126,632</b>	<b>–</b>	<b>126,632</b>	<b>123,351</b>	<b>130,052</b>	<b>–</b>	<b>130,052</b>
<b>Equity attributable to owners of the Company</b>								
Share capital	56,650	56,650	–	56,650	56,650	56,650	–	56,650
Retained earnings	56,238	58,419	11,007	69,426	59,098	61,839	11,007	72,846
Capital reserve	556	556	–	556	556	556	–	556
Fair value reserve	7,047	11,007	(11,007)	–	7,047	11,007	(11,007)	–
<b>Total equity</b>	<b>120,491</b>	<b>126,632</b>	<b>–</b>	<b>126,632</b>	<b>123,351</b>	<b>130,052</b>	<b>–</b>	<b>130,052</b>

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### 3 Significant accounting policies (continued)

#### 3.14 Explanation of transition to SFRS(I) and adoption of new standards (continued)

##### Notes to the reconciliations

##### SFRS(I) 9

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' (ECL) model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 January 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2017. Accordingly, the information presented for 2017 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The following assessments have to be made on the basis of facts and circumstances that existed at 1 January 2018:
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income (FVOCI); and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVTPL).
- If an investment in a debt security has low credit risk at 1 January 2018, the Group has plans to assume that the credit risk on the asset has not increased significantly since its initial recognition.
- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 *Financial Instruments: Recognition and Measurement* at 31 December 2017 that meet the criteria for hedge accounting under SFRS(I) 9 at 1 January 2018 will be regarded as continuing hedging relationships.

The impact of adoption on SFRS(I) 9 are described below.

### 3 Significant accounting policies (continued)

#### 3.14 Explanation of transition to SFRS(I) and adoption of new standards (continued)

##### Classification and measurement: financial assets

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument; or FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see note 3.3(ii).

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's financial assets as at 1 January 2018.

Group	Note	Original classification under FRS 39	New classification under SFRS(I) 9	1 January 2018	
				Original carrying amount under FRS 39 \$'000	New carrying amount under SFRS(I) 9 \$'000
<b>Financial assets</b>					
Equity investments	(a)	Available-for-sale	Mandatorily at FVTPL	21,728	21,728
Equity investments	(b)	Designated at FVTPL	Mandatorily at FVTPL	74,828	74,828
Loan receivable	(b)	Loans and receivables	Mandatorily at FVTPL	38,785	38,785
Amounts due from related parties	(c)	Loans and receivables	Mandatorily at FVTPL	853	853
				<u>136,194</u>	<u>136,194</u>
Other receivables	(d)	Loans and receivables	Amortised cost	1,274	1,274
Cash and cash equivalents		Loans and receivables	Amortised cost	8,920	8,920
<b>Total financial assets</b>				<u>146,388</u>	<u>146,388</u>

### 3 Significant accounting policies (continued)

#### 3.14 Explanation of transition to SFRS(I) and adoption of new standards (continued)

Company	Note	Original classification under FRS 39	New classification under SFRS(I) 9	1 January 2018	
				Original carrying amount under FRS 39 \$'000	New carrying amount under SFRS(I) 9 \$'000
<b>Financial assets</b>					
Equity investments	(a)	Available-for-sale	Mandatorily at FVTPL	21,728	21,728
Equity investments	(b)	Designated at FVTPL	Mandatorily at FVTPL	74,828	74,828
Loan receivable	(b)	Loans and receivables	Mandatorily at FVTPL	38,785	38,785
Amounts due from related parties	(c)	Loans and receivables	Mandatorily at FVTPL	851	851
				136,192	136,192
Other receivables	(d)	Loans and receivables	Amortised cost	826	826
Cash and cash equivalents		Loans and receivables	Amortised cost	4,919	4,919
<b>Total financial assets</b>				141,937	141,937

The Company's accounting policies on the classification of financial instruments under SFRS(I) 9 are set out in Note 3.3. The application of these policies resulted in the reclassifications set out in the table above and explained below.

- (a) Equity investments categorised as available-for-sale under the previous FRS 39 are managed on a fair value basis. On adoption of SFRS(I) 9, these investments are classified mandatorily at FVTPL.
- (b) Equity investments and loan receivable previously at FVTPL, and loan and receivables respectively are managed on a fair value basis. Under SFRS(I) 9, these investments and loan receivable are classified mandatorily at FVTPL.
- (c) Amounts due from related parties categorised as loans and receivables under the previous FRS 39 are now classified mandatorily as FVTPL as repayment is dependent on cash flows from the underlying assets of the related companies.
- (d) Other receivables that were classified as loans and receivables under FRS 39 are now classified at amortised cost.



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### 3 Significant accounting policies (continued)

#### 3.14 Explanation of transition to SFRS(I) and adoption of new standards (continued)

##### Impairment

SFRS(I) 9 replaces the current ‘incurred loss’ model with a forward-looking expected credit loss (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following bases:

- 12-month ECLs. These ECLs that result from possible default events within the 12 months after the reporting date; or
- Lifetime ECLs. These ECLs that result from all possible default events over the expected life of a financial instrument.

As a significant proportion of the Group’s financial assets is expected to be measured at FVTPL, the Group does not expect the impact of impairment on its remaining financial assets that are measured at amortised cost to be significant.

##### Hedging

The Group does not currently adopt hedge accounting.

##### Transition impact on equity

The following table summarises the impact, net of tax, of transition to SFRS(I) 9 on reserves and retained earnings at 1 January 2018.

	<b>Impact of adopting SFRS(I) 9 at 1 January 2018</b>	
	<b>Group \$’000</b>	<b>Company \$’000</b>
<b>Fair value reserve</b>		
Closing balance under FRS 39 (31 December 2017)	11,007	11,007
Reclassification of available-for-sale	(11,007)	(11,007)
Opening balance under SFRS(I) 9 (1 January 2018)	<u>–</u>	<u>–</u>
<b>Retained earnings</b>		
Closing balance under FRS 39 (31 December 2017)	58,419	61,839
Reclassification of available-for-sale	11,007	11,007
Opening balance under SFRS(I) 9 (1 January 2018)	<u>69,426</u>	<u>72,846</u>

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### 3 Significant accounting policies (continued)

#### 3.15 New standards and interpretation not yet adopted

##### SFRS(I) 16

SFRS(I) 16 *Leases* is expected to be applicable to the Group's 2019 financial statements.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

##### *Management's assessment*

Based on the Company's preliminary assessment at 31 December 2018, the impact from the application of SFRS(I) 16 is not expected to have significant impact.

### 4 Cash and cash equivalents

	Group			Company		
	2018	2017	1 Jan 2017	2018	2017	1 Jan 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	<b>3,052</b>	2,355	21,057	<b>2,257</b>	1,554	20,551
Short-term fixed deposits with banks	<b>9,851</b>	6,565	2,029	<b>6,251</b>	3,365	–
	<b>12,903</b>	8,920	23,086	<b>8,508</b>	4,919	20,551

### 5 Other receivables

	Group			Company		
	2018	2017	1 Jan 2017	2018	2017	1 Jan 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deposits	<b>44</b>	43	44	–	–	–
Prepayments	<b>212</b>	205	88	<b>11</b>	11	16
Others	<b>1,014</b>	1,026	858	<b>792</b>	815	790
	<b>1,270</b>	1,274	990	<b>803</b>	826	806

At the reporting date, the carrying amounts of other receivables approximate their fair values and represent the maximum exposure to credit risk at the reporting date. There is no loss allowance from these outstanding balances as the ECL is not material.

## 6 Debt investment at FVTPL

On 1 January 2018, the Group reclassified the loan receivable as debt investment at FVTPL under SFRS(I) 9.

At the reporting date, the loan receivable from a portfolio company at FVTPL (1 January 2017: Amortised cost) is unsecured, bears interest of 2.25% (2017: 2.25% to 4.8985%; 1 Jan 2017: 6.5%) per annum and is repayable on demand.

## 7 Equity investments at FVTPL

	Group and Company		
	2018	2017	1 Jan
	\$'000	\$'000	2017
			\$'000
Subsidiaries, mandatorily at FVTPL	77,138	74,828	69,393
Equity investments, mandatorily at FVTPL	4,494	–	–
	<b>81,632</b>	74,828	69,393

Included in the carrying amounts of the subsidiaries for the Group and the Company were unsecured, interest-free loans with no fixed repayment terms of \$56,886,000 (2017: \$58,248,000; 1 Jan 2017: \$57,229,000) which were in substance the Company's net investment in the subsidiaries.

These subsidiaries are measured at FVTPL as the Company meets the qualifying criteria of an investment entity.

Fair values of the subsidiaries are derived based on their net asset values. Management believes that net asset value reasonably approximates fair value as the subsidiaries are investment holding companies which hold portfolio companies of the Group and are measured at fair value.

Subsidiaries held by the Group as at 31 December are as follows:

Name of company	Principal activity	Country of incorporation	Effective equity interest		
			2018	2017	1 Jan
			%	%	2017
					%
<b>Direct subsidiaries</b>					
Killian Court Pte. Ltd. <sup>1</sup>	Investment holding	Singapore	100	100	100
Little Rock Group Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100

## 7 Equity investments at FVTPL (continued)

Management has also assessed that Killian Court Pte. Ltd. and Little Rock Group Limited meet the qualifying criteria of an investment entity. Subsidiaries of Killian Court Pte. Ltd. and Little Rock Group Limited as at 31 December are as follows:

Name of company	Principal activity	Country of incorporation	Effective equity interest		
			2018 %	2017 %	1 Jan 2017 %
<b>Direct subsidiaries of Killian Court Pte. Ltd.</b>					
Alpha Fountain Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
Ascend Ventures Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
Cadence Capital Investments Limited <sup>3</sup>	Investment holding	British Virgin Islands	–	–	100
Centrex Link Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
Crest Spring Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
Global Asia Ventures Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
K2 Venture Capital Company Limited <sup>2</sup>	Investment holding	Thailand	50	50	–
Lilydale International Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
Region Capital Investments Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
Ridge Oak Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
Riva Dew Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
Spring Rose Investments Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100

## 7 Equity investments at FVTPL (continued)

Name of company	Principal activity	Country of incorporation	Effective equity interest		
			2018 %	2017 %	1 Jan 2017 %
<b>Direct subsidiaries of Killian Court Pte. Ltd. (continued)</b>					
TIHT Investment Holdings Pte. Ltd. <sup>1</sup>	Investment holding	Singapore	55	55	55
TIHT Investment Holdings II Pte. Ltd. <sup>1</sup>	Investment holding	Singapore	55	55	55
Twin Fountain Investments Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100
<b>Direct subsidiary of Little Rock Group Limited</b>					
Water Bay Developments Limited <sup>3</sup>	Investment holding	British Virgin Islands	100	100	100

<sup>1</sup> Audited by KPMG LLP, Singapore.

<sup>2</sup> Audited by other member firm of KPMG International.

<sup>3</sup> Not required to be audited under the legislation of the country of incorporation, but its unaudited financial statements are reviewed as part of the Group audit.

K2 Venture Capital Company Limited (“K2”) is classified as a direct subsidiary of Killian Court Pte. Ltd. (“KC”) as KC is exposed to variable returns from its involvement with K2 and has the ability to affect those returns through its power over K2.

The Company receives dividend income from its subsidiaries, and there are no significant restrictions on the transfer of funds from these subsidiaries to the Company.

The Company provides ongoing support to its subsidiaries for the purchase of investments. The Company has undertaken to provide such financial support to its subsidiaries as is required from time to time to enable these subsidiaries to meet their obligations as and when they fall due.

At the reporting date, all the assets of a certain indirect subsidiary of the Company were charged in favour of the non-controlling interest for the deferred payment of consideration for certain portfolio companies acquired (“deferred payment”). Under the terms of the charge agreement, all the shares in the investment held by its immediate holding company were held as security for the deferred payment.

At the reporting date, there were outstanding capital commitment obligations of \$4,123,000 (2017: \$1,990,000; 1 Jan 2017: \$11,211,000) with respect to specific portfolio company investments.

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**8 Investments - Available-for-sale**

	<b>Group and Company</b>		
	<b>2018</b>	<b>2017</b>	<b>1 Jan</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity securities	–	21,728	17,768

**9 Investments - Subsidiary**

	<b>Company</b>		
	<b>2018</b>	<b>2017</b>	<b>1 Jan</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity shares, at cost	<b>7,000</b>	7,000	5,000

As the subsidiary provides investment management and related services to the Group, the subsidiary is measured at cost less impairment by the Company and consolidated by the Group.

Details of the subsidiary are as follows:

<b>Name of company</b>	<b>Principal activity</b>	<b>Country of incorporation and place of business</b>	<b>Effective equity interest</b>		
			<b>2018</b>	<b>2017</b>	<b>1 Jan</b>
			<b>%</b>	<b>%</b>	<b>%</b>
TIH Investment Management Pte. Ltd. <sup>1</sup>	Investment management	Singapore	<b>100</b>	100	100

<sup>1</sup> Audited by KPMG LLP, Singapore.

## 10 Property, plant and equipment

Group	Leasehold improvements \$'000	Computer software/ equipment \$'000	Total \$'000
<b>Cost</b>			
At 1 January 2017	21	121	142
Additions	–	12	12
At 31 December 2017	21	133	154
Additions	–	33	33
At 31 December 2018	21	166	187
<b>Accumulated depreciation</b>			
At 1 January 2017	21	85	106
Depreciation	–	28	28
At 31 December 2017	21	113	134
Depreciation	–	18	18
At 31 December 2018	21	131	152
<b>Carrying amounts</b>			
At 1 January 2017	–	36	36
At 31 December 2017	–	20	20
At 31 December 2018	–	35	35

## 11 Other payables

	Group			Company		
	2018 \$'000	2017 \$'000	1 Jan 2017 \$'000	2018 \$'000	2017 \$'000	1 Jan 2017 \$'000
Advance consultancy fee received	298	279	–	–	–	–
Amount due to a related party	1,880	1,879	–	1,880	1,879	–
Directors' fees payable	357	428	422	357	428	422
Others	17,425	17,190	17,812	16,825	16,578	17,190
	<b>19,960</b>	19,776	18,234	<b>19,062</b>	18,885	17,612

At the reporting date, the carrying amounts of other payables approximate their fair values.

Amount due to a related party is unsecured, interest-free and repayable on demand.

Included in others is an amount of \$16,232,000 (2017: \$16,106,000; 1 Jan 2017: \$16,543,000) for the Group and the Company for foreign tax and expenses relating to certain divestments made in prior years.

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## 12 Convertible bonds

	<b>Group and Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount of liability at 1 January	–	4,153
Accreted interest	–	47
Redemption of convertible bonds	–	(4,200)
Carrying amount of liability at 31 December	–	–

The convertible bonds were issued on 20 May 2014 and matured on 19 May 2017.

The following table shows a reconciliation of movements of convertible bonds to cash flows:

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 January	–	4,153
Changes from financing cash flows:		
- Redemption of convertible bonds	–	(4,200)
Liability-related other changes:		
- Interest expense on financial liabilities measured at amortised cost	–	47
Balance as at 31 December	–	–

## 13 Share capital

	<b>2018</b>	<b>2017</b>
	<b>Number of shares</b>	
	<b>'000</b>	<b>'000</b>
<b>Company</b>		
At 1 January and 31 December	<b>241,686</b>	241,686

All issued shares are fully paid, with no par value.

### *Ordinary shares*

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.



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## 14 Reserves

The reserves are not distributable by way of cash dividends.

### *Capital reserve*

The capital reserve arose mainly from the Company's capital reduction exercise in 1999.

### *Fair value reserve*

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

In 2018, the Group adopted SFRS(I) 9 and reclassified all available-for-sale investments to equity investments at FVTPL. Accordingly, the fair value reserve was reclassified to retained earnings on 1 January 2018.

## 15 Dividends

The following final exempt (one-tier) dividends were paid by the Company:

### **Year ended 31 December**

	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Paid by the Company to owners of the Company</b>		
\$Nil per ordinary share in respect of financial year ended 31 December 2018 (2017: \$0.01)	–	2,417

At the reporting date, the Company has distributed cumulative dividends of \$414.65 million (2017: \$414.65 million) out of retained earnings.

## 16 Agreements

On 30 January 2015, the Company entered into a Strategic Support Services Agreement which was amended by an Amendment Agreement dated 30 May 2016 with ASM Administration Limited ("ASMAL"), a shareholder of the Company, to provide support services such as deal-sourcing to the Company, based on a fixed-fee structure. At the reporting date, the fees were US\$515,000 per annum (2017: US\$515,000 per annum) and the Singapore dollars equivalent fee for the year was \$694,000 (2017: \$710,000).

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## 17 Financial instruments

### Financial risk management

#### *Overview*

The Group has exposures to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

#### *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Governance Committee, which is responsible for developing and monitoring the Group's risk management policies. The members of the Risk Governance Committee comprise the entire Board of Directors.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its internal control policies, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### **Credit risk**

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loan receivable and other receivables.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

The Group and the Company ensure that cash are placed with financial institutions of recognised credit standing. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

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## 17 Financial instruments (continued)

### Credit risk (continued)

The maximum exposure to credit risk for loan receivable and other receivables by type of counterparty at the reporting date was:

	Group			Company		
	2018 \$'000	2017 \$'000	1 Jan 2017 \$'000	2018 \$'000	2017 \$'000	1 Jan 2017 \$'000
Portfolio company	<b>38,418</b>	38,785	31,499	<b>38,418</b>	38,785	31,499
Other receivables (excludes prepayments)	<b>1,058</b>	1,069	902	<b>792</b>	815	790
Amounts due from related parties	<b>375</b>	853	108	<b>374</b>	851	101
	<b>39,851</b>	40,707	32,509	<b>39,584</b>	40,451	32,390

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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**17 Financial instruments (continued)****Liquidity risk (continued)**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	<b>Carrying amount \$'000</b>	<b>Cash flows Contractual cash flows \$'000</b>	<b>Within 1 year \$'000</b>
<b>Group</b>			
<b>31 December 2018</b>			
<b>Non-derivative financial liabilities</b>			
Other payables	<u>19,662</u>	<u>(19,662)</u>	<u>(19,662)</u>
<b>31 December 2017</b>			
<b>Non-derivative financial liabilities</b>			
Other payables	<u>19,497</u>	<u>(19,497)</u>	<u>(19,497)</u>
<b>1 January 2017</b>			
<b>Non-derivative financial liabilities</b>			
Convertible bonds	4,153	(4,200)	(4,200)
Other payables	<u>18,234</u>	<u>(18,234)</u>	<u>(18,234)</u>
	<u>22,387</u>	<u>(22,434)</u>	<u>(22,434)</u>
<b>Derivative financial instruments</b>			
Other forward exchange contracts (gross-settled)	2		
- Outflow		(1,593)	(1,593)
- Inflow		1,591	1,591
	<u>2</u>	<u>(2)</u>	<u>(2)</u>
	<u>22,389</u>	<u>(22,436)</u>	<u>(22,436)</u>

## 17 Financial instruments (continued)

### Liquidity risk (continued)

	Carrying amount \$'000	Cash flows Contractual cash flows \$'000	Within 1 year \$'000
<b>Company</b>			
<b>31 December 2018</b>			
<b>Non-derivative financial liabilities</b>			
Other payables	19,062	(19,062)	(19,062)
<b>31 December 2017</b>			
<b>Non-derivative financial liabilities</b>			
Other payables	18,885	(18,885)	(18,885)
<b>1 January 2017</b>			
<b>Non-derivative financial liabilities</b>			
Convertible bonds	4,153	(4,200)	(4,200)
Other payables	17,612	(17,612)	(17,612)
	21,765	(21,812)	(21,812)
<b>Derivative financial instruments</b>			
Other forward exchange contracts (gross-settled)	2		
- Outflow		(1,593)	(1,593)
- Inflow		1,591	1,591
	2	(2)	(2)
	21,767	(21,814)	(21,814)

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is exposed to market risk primarily in changes in foreign exchange rates in relation to its investment portfolio and to a lesser extent, interest rates on the deposits placed with banks and financial institutions.

#### *Currency risk*

The Group invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in United States dollars. Consequently, the Group is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of that portion of the Group's financial assets or financial liabilities that is denominated in currencies other than Singapore dollars.

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## 17 Financial instruments (continued)

### Market risk (continued)

#### Currency risk (continued)

The Group does not use any derivative financial instruments to hedge these exposures. However, to mitigate the foreign currency exposure arising from the Group's short term assets and liabilities and expected sales proceeds from investments in the short term, the Group may enter into forward currency contracts to hedge against such foreign currency exposures. The Group does not adopt hedge accounting in this respect.

As at the reporting date, the Group and the Company had entered into forward exchange contracts with a notional amount of \$nil (2017: \$nil; 1 Jan 2017: \$1,592,000) to hedge the Group and the Company's foreign exchange exposure related to investments denominated in United States dollars with definitive certainty of return in the short term.

At the reporting date, the Group's and the Company's exposures to foreign currencies are as follows based on notional amounts:

<b>Group</b>	<b>USD \$'000</b>
<b>31 December 2018</b>	
Cash and cash equivalents	932
Other receivables	710
Amounts due from related parties	10
Other payables	(5,577)
<b>Net statement of financial position exposure</b>	<b>(3,925)</b>
Forward exchange contracts	–
<b>Net exposure</b>	<b>(3,925)</b>
<b>31 December 2017</b>	
Cash and cash equivalents	2,897
Other receivables	704
Amounts due from related parties	146
Other payables	(5,446)
<b>Net statement of financial position exposure</b>	<b>(1,699)</b>
Forward exchange contracts	–
<b>Net exposure</b>	<b>(1,699)</b>
<b>1 January 2017</b>	
Cash and cash equivalents	7,595
Other receivables	569
Amounts due from related parties	15
Other payables	(5,898)
<b>Net statement of financial position exposure</b>	<b>2,281</b>
Forward exchange contracts	(1,592)
<b>Net exposure</b>	<b>689</b>

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**17 Financial instruments (continued)****Market risk (continued)***Currency risk (continued)*

<b>Company</b>	<b>USD \$'000</b>
<b>31 December 2018</b>	
Cash and cash equivalents	503
Other receivables	507
Amounts due from related parties	10
Other payables	(5,577)
<b>Net statement of financial position exposure</b>	<b>(4,557)</b>
Forward exchange contracts	–
<b>Net exposure</b>	<b>(4,557)</b>
<b>31 December 2017</b>	
Cash and cash equivalents	2,427
Other receivables	497
Amounts due from related parties	145
Other payables	(5,446)
<b>Net statement of financial position exposure</b>	<b>(2,377)</b>
Forward exchange contracts	–
<b>Net exposure</b>	<b>(2,377)</b>
<b>1 January 2017</b>	
Cash and cash equivalents	6,726
Other receivables	536
Amounts due from related parties	8
Other payables	(5,898)
<b>Net statement of financial position exposure</b>	<b>1,372</b>
Forward exchange contracts	(1,592)
<b>Net exposure</b>	<b>(220)</b>

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## 17 Financial instruments (continued)

### Market risk (continued)

#### *Currency risk (continued)*

#### Sensitivity analysis

A 10% strengthening of the Singapore dollars against the following currencies at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for year ended 31 December 2017.

	Effect on profit or loss	
	2018	2017
	\$'000	\$'000
<b>Group</b>		
United States dollars	<u>393</u>	<u>170</u>
<b>Company</b>		
United States dollars	<u>456</u>	<u>238</u>

#### *Interest rate risk*

The Group and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Other than short-term fixed deposits of \$9,851,000 (2017: \$6,565,000; 1 Jan 2017: \$2,029,000) (Note 4) and debt investment at FVTPL (2017: Loan receivable) of \$38,418,000 (2017: 38,785,000; 1 Jan 2017: \$31,499,000) (Note 6), the Group and the Company have no significant interest-bearing assets. The Group's policy is to maintain significant percentage of its borrowings, if any, in floating rate instruments. As at 31 December 2018, the Group and the Company have no significant interest-bearing liabilities. A 100 basis point increase/(decrease) in the interest rate at the reporting date would have a net effect of increasing/(decreasing) profit or loss by \$483,000 (2017: \$454,000; 1 Jan 2017: \$335,000).

This analysis assumes that all other variables remain constant.

### Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital base to support its business and maximise shareholder value. Capital consists of total equity. The Group has determined that it is in a sound capital position given the availability of capital and resources. The Board of Directors monitors the capital requirements to ensure that it is able to support its existing business as well as new investment opportunities that may arise.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.



## 17 Financial instruments (continued)

### Financial assets and liabilities

#### *Accounting classification and fair values*

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount					Fair value			
		Mandatorily at FVTPL – others	Designated at fair value	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 December 2018</b>										
<b>Financial assets measured at fair value</b>										
Debt investment at FVTPL	6	38,418	–	–	–	38,418	–	38,418	–	38,418
Equity investments at FVTPL	7	81,632	–	–	–	81,632	–	–	81,632	81,632
Amounts due from related parties		375	–	–	–	375	–	375	–	375
		<b>120,425</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>120,425</b>				
<b>Financial assets not measured at fair value</b>										
Cash and cash equivalents	4	–	–	12,903	–	12,903				
Other receivables (excludes prepayments)	5	–	–	1,058	–	1,058				
		<b>–</b>	<b>–</b>	<b>13,961</b>	<b>–</b>	<b>13,961</b>				
<b>Financial liabilities not measured at fair value</b>										
Other payables	11	–	–	–	(19,662)	(19,662)				

## 17 Financial instruments (continued)

### Financial assets and liabilities (continued)

#### Accounting classification and fair values (continued)

Group	Note	Carrying amount				Total \$'000	Fair value			
		Loans and receivables \$'000	At fair value	Available- for-sale \$'000	Other financial liabilities \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
			through profit or loss \$'000							
<b>31 December 2017</b>										
<b>Financial assets measured at fair value</b>										
Equity investments at FVTPL	7	–	74,828	–	–	74,828	–	–	74,828	74,828
Available-for-sale investments	8	–	–	21,728	–	21,728	–	–	21,728	21,728
		–	74,828	21,728	–	96,556				
<b>Financial assets not measured at fair value</b>										
Cash and cash equivalents	4	8,920	–	–	–	8,920				
Other receivables (excludes prepayments)	5	1,069	–	–	–	1,069				
Amounts due from related parties		853	–	–	–	853				
Loan receivable	6	38,785	–	–	–	38,785				
		49,627	–	–	–	49,627				
<b>Financial liabilities not measured at fair value</b>										
Other payables	11	–	–	–	(19,497)	(19,497)				

## 17 Financial instruments (continued)

### Financial assets and liabilities (continued)

#### Accounting classification and fair values (continued)

Group	Note	Carrying amount				Fair value				
		Loans and receivables \$'000	At fair value through profit or loss \$'000	Available-for-sale \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>1 January 2017</b>										
<b>Financial assets measured at fair value</b>										
Equity investments at FVTPL	7	–	69,393	–	–	69,393	–	–	69,393	69,393
Available-for-sale investments	8	–	–	17,768	–	17,768	–	–	17,768	17,768
		–	69,393	17,768	–	87,161				
<b>Financial assets not measured at fair value</b>										
Cash and cash equivalents	4	23,086	–	–	–	23,086				
Other receivables (excludes prepayments)	5	902	–	–	–	902				
Amounts due from related parties		108	–	–	–	108				
Loan receivable	6	31,499	–	–	–	31,499				
		55,595	–	–	–	55,595				
<b>Financial liabilities measured at fair value</b>										
Derivatives – Forward exchange contracts		–	(2)	–	–	(2)	–	(2)	–	(2)
<b>Financial liabilities not measured at fair value</b>										
Other payables	11	–	–	–	(18,234)	(18,234)				
Convertible bonds	12	–	–	–	(4,153)	(4,153)				
		–	–	–	(22,387)	(22,387)				

## 17 Financial instruments (continued)

### Financial assets and liabilities (continued)

#### *Accounting classification and fair values (continued)*

Company	Note	Carrying amount				Fair value				
		Mandatorily at FVTPL – others	Designated at fair value	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 December 2018</b>										
<b>Financial assets measured at fair value</b>										
Debt investment at FVTPL	6	38,418	–	–	–	38,418	–	38,418	–	38,418
Equity investments at FVTPL	7	81,632	–	–	–	81,632	–	–	81,632	81,632
Amounts due from related parties		374	–	–	–	374	–	374	–	374
		<u>120,424</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>120,424</u>				
<b>Financial assets not measured at fair value</b>										
Cash and cash equivalents	4	–	–	8,508	–	8,508				
Other receivables (excludes prepayments)	5	–	–	792	–	792				
		<u>–</u>	<u>–</u>	<u>9,300</u>	<u>–</u>	<u>9,300</u>				
<b>Financial liabilities not measured at fair value</b>										
Other payables	11	–	–	–	(19,062)	(19,062)				

## 17 Financial instruments (continued)

### Financial assets and liabilities (continued)

#### Accounting classification and fair values (continued)

Company	Note	Carrying amount				Fair value				
		Loans and receivables \$'000	At fair value	Available-for-sale \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
			through profit or loss \$'000							
<b>31 December 2017</b>										
<b>Financial assets measured at fair value</b>										
Equity investments at FVTPL	7	–	74,828	–	–	74,828	–	–	74,828	74,828
Available-for-sale investments	8	–	–	21,728	–	21,728	–	–	21,728	21,728
		–	74,828	21,728	–	96,556				
<b>Financial assets not measured at fair value</b>										
Cash and cash equivalents	4	4,919	–	–	–	4,919				
Other receivables (excludes prepayments)	5	815	–	–	–	815				
Amounts due from related parties		851	–	–	–	851				
Loan receivable	6	38,785	–	–	–	38,785				
		45,370	–	–	–	45,370				
<b>Financial liabilities not measured at fair value</b>										
Other payables	11	–	–	–	(18,885)	(18,885)				

## 17 Financial instruments (continued)

### Financial assets and liabilities (continued)

#### Accounting classification and fair values (continued)

Company	Note	Carrying amount				Fair value				
		Loans and receivables \$'000	At fair value		Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
			through profit or loss \$'000	Available-for-sale \$'000						
<b>1 January 2017</b>										
<b>Financial assets measured at fair value</b>										
Equity investments at FVTPL	7	–	69,393	–	–	69,393	–	–	69,393	69,393
Available-for-sale investments	8	–	–	17,768	–	17,768	–	–	17,768	17,768
		–	69,393	17,768	–	87,161				
<b>Financial assets not measured at fair value</b>										
Cash and cash equivalents	4	20,551	–	–	–	20,551				
Other receivables (excludes prepayments)	5	790				790				
Amounts due from related parties		101	–	–	–	101				
Loan receivable	6	31,499	–	–	–	31,499				
		52,941	–	–	–	52,941				
<b>Financial liabilities measured at fair value</b>										
Derivatives – Forward exchange contracts		–	(2)	–	–	(2)	–	(2)	–	(2)
<b>Financial liabilities not measured at fair value</b>										
Other payables	11	–	–	–	(17,612)	(17,612)				
Convertible bonds	12	–	–	–	(4,153)	(4,153)				
		–	–	–	(21,765)	(21,765)				

## 17 Financial instruments (continued)

### Measurement of fair values

#### (i) Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Sensitivity to changes in significant unobservable inputs
<b>Group and Company</b>			
Subsidiaries, mandatorily at FVTPL	Adjusted net asset value	Not applicable	Not applicable
Equity investments, mandatorily at FVTPL (2017: Available-for-sale investments)	Adjusted net asset value	Liquidity discount (2018: 30%; 2017: 30%; 1 Jan 2017: 30%)	The estimated fair value would increase if the liquidity discount was lower

#### Sensitivity analysis

For the fair values of equity investments, mandatorily at FVTPL (2017: available-for-sale investments), a 5% increase/(decrease) in the liquidity discount at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have a net effect of (decreasing)/increasing equity by \$321,000 (2017: \$1,552,000).

#### (ii) Level 3 fair values

The following table shows a reconciliation from the opening balance to the ending balance for Level 3 fair values:

	Group and Company	
	2018 \$'000	2017 \$'000
At 1 January	96,556	87,161
Investments	6,994	12,453
Repayment of loan	(8,884)	(9,885)
Total unrealised gains and losses recognised in profit or loss:		
- net change in fair value of equity investments at FVTPL	(13,034)	2,867
Total unrealised gains and losses for the year included in other comprehensive deficit:		
- net change in fair value of available-for-sale investments	-	3,960
At 31 December	81,632	96,556

There were no transfers between Level 1, 2 and 3 during the year ended 31 December 2018 and 31 December 2017 for the Group and the Company.

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## 17 Financial instruments (continued)

### Offsetting financial assets and financial liabilities

There are no offsetting of financial instruments such as receivables and payables in the statements of financial position as at 31 December 2018 and 31 December 2017.

## 18 Net finance income/(costs)

	Group	
	2018	2017
	\$'000	\$'000
<u>Finance income</u>		
Interest income on fixed deposits	70	45
<u>Finance cost</u>		
Interest expense on financial liabilities measured at amortised cost	–	(47)
Net foreign exchange loss	(28)	(102)
	<u>(28)</u>	<u>(149)</u>
Net finance income/(costs) recognised in profit or loss	<u>42</u>	<u>(104)</u>
The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not at FVTPL:		
- Total interest income on financial assets	70	45
- Total interest expense on financial liabilities	–	(47)

## 19 Income tax

	Group	
	2018	2017
	\$'000	\$'000
<i>Reconciliation of effective tax rate</i>		
(Loss)/profit for the year	<u>(11,959)</u>	<u>4,598</u>
Tax using the Singapore tax rate of 17% (2017: 17%)	(2,033)	782
Non-deductible expenses	39	102
Tax exempt income	(8)	(3)
Tax incentives	2,074	(959)
Current year losses for which no deferred tax asset was recognised	–	78
Recognition of tax effect of previously unrecognised tax losses	(72)	–
	<u>–</u>	<u>–</u>



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## 19 Income tax (continued)

The Company was granted the Enhanced-Tier Fund Tax Incentive Scheme under Section 13X of the Singapore Income Tax Act (Chapter 134) with effect from 9 December 2016. Under this scheme, the Company has been granted tax exemption for the life of the Company on specified income in respect of any designated investment, subject to compliance with stipulated conditions. All other income of the Company shall be subject to Singapore income tax.

Deferred tax asset has not been recognised in respect of tax losses of the Group amounting to \$6,645,000 (2017: \$7,069,000) because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

## 20 (Loss)/profit for the year

The following items have been included in arriving at (loss)/profit for the year:

	Group	
	2018	2017
	\$'000	\$'000
Operating expenses include the following:		
Depreciation on property, plant and equipment	18	28
Audit fees paid/payable to:		
- Auditor of the Company for statutory audit of the Group	180	169
Non-audit fees paid/payable to:		
- Auditor of the Company and the Group	51	41
Operating lease expense	163	163
Directors' remuneration	357	428
Staff costs, excluding contributions to defined contribution plans	2,069	1,996
Contributions to defined contribution plans	201	195
Consultancy and advisory fees	984	228
Legal and professional fees	<u>1,003</u>	<u>808</u>

## 21 Basic and diluted earnings per share

### (a) Basic earnings per share

For the year ended 31 December 2018, basic earnings per share is calculated by dividing the consolidated net loss attributable to owners of the Company of \$11,959,000 (2017: net profit of \$4,598,000) by the weighted average number of ordinary shares outstanding of 241,685,638 (2017: 241,685,638).

Weighted average number of ordinary shares

	Group	
	2018	2017
	'000	'000
Weighted average number of ordinary shares at end of year	<u>241,686</u>	<u>241,686</u>

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## 21 Basic and diluted earnings per share (continued)

### (b) Diluted earnings per share

As at the reporting date, diluted earnings per share is the same as basic earnings per share as there were no dilutive instruments in issue.

## 22 Operating leases

### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	<b>Group</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Within one year	<b>163</b>	163
Between one and five years	<b>215</b>	378
	<b>378</b>	541

The Group has leasing arrangements that run for an initial period of 3 years (2017: 3 years). None of the leases have any contingent leasing arrangements.

## 23 Related parties

Amounts due from related parties are unsecured and repayable on demand.

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the year:

### *Transactions with key management personnel*

#### *Key management personnel compensation*

Key management personnel compensation comprised:

	<b>Group</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Directors' remuneration	<b>357</b>	428
Salaries and other short-term employee benefits	<b>412</b>	408

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## 23 Related parties (continued)

### *Other related party transactions*

	Group	
	2018	2017
	\$'000	\$'000
<b>Service fees</b>		
ASM Administration Limited, an associate of Argyle Street Management Limited, a controlling shareholder of the Company	<b>694</b>	710

## 24 Segment information

The Group has only one private equity segment which is to invest, for capital appreciation in growing private companies located in Asia, including, principally, China/Hong Kong SAR, Singapore, Taiwan, Thailand, Indonesia, Malaysia and Japan.

### *Geographical information*

	Total investment income		Non-current assets		Current assets	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>						
China/Hong Kong SAR	<b>570</b>	239	<b>839</b>	706	–	–
Singapore	<b>(16,747)</b>	2,689	<b>10,980</b>	35,774	<b>38,418</b>	38,785
Taiwan	<b>52</b>	(178)	<b>2,785</b>	2,341	–	–
Thailand	<b>1,128</b>	333	<b>2,546</b>	4,161	–	–
Japan	<b>(2)</b>	–	<b>803</b>	–	–	–
Indonesia	<b>5,177</b>	2,463	<b>29,713</b>	23,640	–	–
Malaysia	<b>458</b>	406	<b>2,532</b>	2,484	–	–
Others	<b>2,808</b>	3,280	<b>31,434</b>	27,450	–	–
	<b>(6,556)</b>	9,232	<b>81,632</b>	96,556	<b>38,418</b>	38,785

In the above table, others segment include fund investments that are incorporated in the Cayman Islands, United Kingdom and France which hold numerous investments in various countries.

The non-current assets and current assets presented in each country arise from the private equity segment but exclude the assets from the investment management subsidiary. Corresponding revenues represent investment income, which comprise gains from disposal of underlying investments, net change in fair value of underlying investments, impairment losses, dividend income and interest income.

## Supplementary Information

(SGX-ST Listing Manual disclosure requirements)

### Interested person transactions

Transactions with the Group's interested persons (as defined in the listing manual of SGX-ST) are subject to review by the Audit Committee.

The following transactions took place between the Group and interested persons during the year:

Name of interested person	Aggregate value of all interested person transactions during the year under review (excluding transactions less than \$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 \$100,000)
<b>For the year ended 31 December 2018</b>		
Argyle Street Management Limited group ("ASML group"), a deemed controlling shareholder of the Company	(1) Strategic Support Services fee of \$694,000.	\$1,372,000.
	(2) During the year, the Group and ASML group separately entered into a series of agreements to participate in various investments. The Group's total investment amounted to \$5,376,000.	
<b>For the year ended 31 December 2017</b>		
Argyle Street Management Limited group ("ASML group"), a deemed controlling shareholder of the Company	(1) Strategic Support Services fee of \$710,000.	–
	(2) During the year, the Group and ASML group separately entered into a series of agreements to participate in various investments. The Group's total investment amounted to \$7,354,000.	

## Corporate Governance Report

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The Board and Investment Manager of TIH Limited (the “**Company**” or “**TIH**”) are committed to maintaining a high standard of corporate governance and believe that commitment to good corporate governance is essential to the Company’s business and performance.

The following describes the Company’s corporate governance practices that were in place during the financial year ended 31 December 2018 with specific references to the principles set out in the Code of Corporate Governance 2012<sup>1</sup> (the “**Code**”). TIH is listed on the Singapore Exchange Securities Trading Limited and the Board of Directors is pleased to confirm that the Company has adhered to the principles and guidelines of the Code as well as the Listing Manual of the SGX-ST, where appropriate and applicable.

### Board Matters

#### Board’s Conduct of Affairs

*Principle 1: Effective Board to lead and control the Company*

*Principle 3: There should be clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company’s business*

The Company recognises that in order to achieve a balance of power and authority for independent decision making, there should be a clear division of responsibilities between the working of the Board and the Investment Manager’s responsibility of the Company’s business.

As TIH is a fund, the Board is responsible for strategy planning and company policies such as dividend policy and performance objectives. The TIH Board is not involved in the day to day operations of the Company as the management of TIH has been seconded to TIH Investment Management Pte. Ltd., its wholly owned subsidiary.

The Chairman of the Board, Mr Kin Chan, had been a non-executive Director of the Company since his appointment to the Board on 1 October 2004. On 1 July 2016, TIH Investment Management Pte. Ltd. (“**TIHIM**”), the Investment Manager of the Company, obtained its Capital Markets Services licence (“**CMS Licence**”) from The Monetary Authority of Singapore (“**MAS**”). Due to Mr Chan’s role as a Board Investment Committee (“**BIC**”) member, Mr Chan is now a licenced representative of the Investment Manager. Following his appointment as a licenced representative of the Investment Manager on 26 August 2016, Mr Chan is deemed an Executive Director of the Company. However, other than being a BIC member, he does not have any executive role in the day to day operations of the Company. His duties and responsibilities in TIH remain the same as before obtaining the CMS licence. It includes, amongst others, leading the Board to ensure its effectiveness on all aspects of its role, ensuring that regulations and procedures relating to Board meetings are complied with, promoting a culture of openness and debate at the Board, encouraging constructive relations within the Board and between the Board and the Investment Manager, ensuring effective communication with shareholders and ensuring high standards of corporate governance. The Chairman also engages with TIH’s strategic partners, key associates such as prominent Asian families and sovereign wealth funds. He travels extensively in the region and beyond to foster strong relationship with the Company’s partners and gathers feedback for follow-up. The management and operations of the Company had been delegated to the Investment Manager. The Investment Manager’s primary role is to identify and evaluate opportunities for investment of the Company’s funds in accordance with the investment policies as provided for in the Company’s Prospectus (as amended and approved by the Board from time to time) and to provide related services in connection with the Company’s investments and other advisory services. Following the receipt of the CMS Licence, the Investment Manager is in a position to manage third party funds. TIHIM has been appointed the Investment Adviser of ASM Connaught House General Partner II Limited and ASM Connaught House Fund III LP, both funds managed by Argyle Street Management Holdings Limited (“**ASM Group**”). The ASM group is a major shareholder in TIH holding approximately 21.3% of TIH as at 31 December 2018.

<sup>1</sup> The Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012.

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The Company does not have any employees as the management of the Company is contracted out to its Investment Manager, TIH Investment Management Pte. Ltd.

Accordingly, the leadership of the Board and the Investment Manager who manages the Company's business are separate parties with a clear division of responsibilities. There is no immediate family relationship between the Chairman of the Board and the employees of the Investment Manager.

In view that the Chairman is not an independent director, as recommended by the Code, the Board has appointed Mr Liong Tong Kap as the Lead Independent Director on 1 February 2013 to address any shareholders' concerns that cannot be resolved or is inappropriate through the normal channels of the Board Chairman or the Investment Manager. The Lead Independent Director also acts as a representative in providing the independent Directors' feedback to the Board Chairman.

The Board's role is to review and approve business strategies, corporate policies and guidelines, audit plans, financial reporting, declaration of dividends and to monitor the performance of the Company. In addition, the Board oversees the risk assessment and governance and ensure effective controls to safeguard shareholders' interests and the Company's assets. Directors' appointments and remunerations are also decided by the Board as a whole upon the recommendation by the Nominating Committee and Remuneration Committee respectively.

TIHIM is responsible for the management of TIH according to the investment management agreement between the Company and TIHIM. Kin Chan, the Chairman of the Board, is also serving on the board of TIHIM and as a member of Board Investment Committee, which has the veto right to all investments made by TIH, to provide high level strategic support and safeguard the interests of the Company. Kin Chan serves on the board of TIHIM and BIC in his capacity of representative from TIH and is not involved in the daily operation and management of TIHIM's affairs.

The BIC comprising one nominee representing the Investment Manager and three nominees representing the TIH Board, has been set up to assist the Board in assessing all investments proposed by the Investment Manager. During the year, Mr Alex Shiu Leung Au has been appointed as a member of the BIC with effect from 1 November 2018. The members of the BIC are Mr Kin Chan, Mr Vince Feng and Mr Alex Shiu Leung Au representing the TIH Board, and Mr Wang Ya Lun Allen representing the Investment Manager. The Investment Manager has also formed a Manager Investment Committee ("**MIC**") to assess investment and divestment decisions under the TIH Group. The MIC consists of senior investment personnel, one of whom is the CEO of the Investment Manager Mr Allen Wang. On 25 February 2016, Mr Stanley Wang has been appointed a member of the MIC. MIC members comprise of Mr Allen Wang and Mr Stanley Wang. Upon approval by the MIC, investment proposals will be recommended to the BIC for review and oversight. The BIC has the ability to veto any proposal presented by the MIC. In the event (for whatever reason) the MIC is reduced to a single member, the decisions of the sole member of the MIC shall prevail.

Generally, investment/divestment transactions will be duly analysed by TIHIM's investment professionals and tabled to the MIC for consideration as proposed transactions ("**Proposals**"). The MIC will subject such Proposals to a thorough review process, including discussions with the relevant investment professionals on the basis for their Proposals, prior to taking a vote. The criteria considered by the MIC in making a decision on such Proposals includes, *inter alia*, the potential growth of the proposed business model, the experience of the management team and the relevant risk-reward profiles. Upon unanimous approval by the MIC, the investment proposals will be recommended to the BIC for review. If the BIC does not veto the investment proposal, the investment will proceed. In fulfilment of the CMS Licence requirements, TIHIM has given an undertaking that where Mr Kin Chan as a BIC member vetoes an investment opportunity ("**Rejected Investment Opportunity**"), it shall ensure that none of Mr Kin Chan's business interests enters into, or engages, participates or invests in, the Rejected Investment Opportunity for a period of at least 6 months from the date on which the investment decision of the BIC is effected. (Please refer to page 72 of this Annual Report for information on the Interested Person Transactions.)

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In addition, as recommended by the Code, the Board has established four board committees to assist the Board in the execution of its duties. They are the Audit Committee (“AC”), the Nominating Committee (“NC”), the Remuneration Committee (“RC”) and the Risk Governance Committee (“RGC”). Each of these committees discharges its duties under its respective terms of reference as approved by the Board and recommends relevant issues to the Board for action. The functions and terms of reference of each committee are set out in the later parts of this Corporate Governance Statement. The Board has engaged BDO LLP to assist in the review of the risk governance matters.

The Company has clear guidelines on matters to be approved by the Board. Below is a list of material transactions which require Board approval:

1. Appointment of directors;
2. Recommendation for appointment/reappointment of external auditors and approval of audit fees;
3. Appointment of internal auditors;
4. Appointment of professional services for corporate action matters including but not limited to capital reduction, bonus issue, rights and warrants issuance;
5. Approval of corporate announcements for matters including but not limited to quarterly financial reporting, circulars, annual report etc;
6. Approval of establishment/termination of bank accounts, banking facilities, loans and credit facilities as well as appointment of signing mandates;
7. Approval of any amendments to the Management Agreement, Strategic Support Services Agreement and investment policies;
8. Approval of related party transactions;
9. Approval of interim dividend payments and recommendation of final dividend payments;
10. Veto rights of investment proposals via the Board Investment Committee.

There are at least four scheduled Board meetings held each year. In addition, ad hoc non-scheduled Board meetings are convened when necessary to deliberate on urgent substantial matters. The dates of all the meetings are scheduled before the beginning of each year in order to achieve full attendance by the Directors where possible. As permitted by the Company’s Constitution, Directors may participate in a Board meeting by means of a conference telephone, conference television or similar communication equipment on occasions when they are not able to be present in person at the meeting. The Board and Board Committees also relied on circular resolutions and discussions conducted via telephonic conferences and other forms of communication to discharge their duties. There were four (4) Board meetings, four (4) AC meetings, two (2) NC meetings, one (1) RC meeting and one (1) RGC meeting held in the financial year ended 31 December 2018. Attendance of such meetings by the Directors are tabulated below.



## 2018 Board and Committee Meetings Attendance

(Please refer to pages 78 and 79 of this Annual Report for the Directors' memberships in the respective committees.)

Name of Director	Number of Board Meetings Attended	Number of Audit Committee Meetings Attended	Number of Nominating Committee Meeting Attended	Number of Remuneration Committee Meeting Attended	Number of Risk Governance Committee Meeting Attended
<b>Kin Chan</b>	4 of 4 (Chairman)	3 of 4 (Observer)	2 of 2 (Member)	1 of 1 (Observer)	1 of 1
<b>Wang Ya Lun Allen</b> (Attended as Representative of Investment Manager)	4 of 4	3 of 4	1 of 2	1 of 1	1 of 1
<b>Vince Feng</b>	3 of 4	3 of 4 (Member)	1 of 2 (Observer)	1 of 1 (Chairman)	1 of 1
<b>Liong Tong Kap</b>	4 of 4	4 of 4 (Chairman)	2 of 2 (Member)	1 of 1 (Observer) <sup>3</sup>	1 of 1
<b>Li Yick Yee Angie</b>	4 of 4	3 of 4 (Observer)	2 of 2 (Observer)	1 of 1 (Member)	1 of 1
<b>Thanathip Vidhayasirinun<sup>4</sup></b>	4 of 4	4 of 4 (Member)	2 of 2 (Chairman)	1 of 1 (Observer)	1 of 1
<b>Alex Shiu Leung Au<sup>1</sup></b>	2 of 4	2 of 4 (Member) <sup>2</sup>	1 of 2 (Observer)	1 of 1 (Observer)	1 of 1
<b>Sin Boon Ann<sup>1</sup></b>	2 of 4	2 of 4 (Observer)	1 of 2 (Observer)	1 of 1 (Member wef 1 June 2018) <sup>3</sup>	1 of 1 (Chairman) <sup>4</sup>
<b>Tan Chade Phang (Roger)<sup>1</sup></b>	2 of 4	2 of 4 (Observer)	1 of 2 (Observer)	1 of 1 (Observer)	1 of 1

### Notes:

- Messrs Alex Shiu Leung Au, Sin Boon Ann and Tan Chade Phang (Roger) have been appointed to the Board with effect from 1 June 2018.
- Mr Alex Shiu Leung Au has been appointed as an additional member of the Audit Committee with effect from 1 June 2018.
- Mr Sin Boon Ann has been appointed as a member of the Remuneration Committee in place of Mr Liong Tong Kap with effect from 1 June 2018.
- Mr Sin Boon Ann has been appointed as the Chairman of the Risk Management Committee in place of Mr Thanathip Vidhayasirinun with effect from 1 June 2018.

As a standing practice, Board members are invited by the AC Chairman to attend the AC meetings. Most Directors (who are not AC members) do try to attend the AC meetings as observers. Similarly, all Directors are also invited to be observers at the NC and RC meetings, which are held on an annual basis.

To facilitate an effective and efficient discharge of duties and responsibilities, the Directors are provided with extensive information on the Company's activities relating to investments and divestments with regular and timely updates whenever there are any new developments.



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To ensure that Directors keep pace with regulatory changes that will have an important bearing on the Company's or directors' disclosure obligations, the Directors are briefed during Board meetings and specially prepared materials on the relevant matters are provided in the Board Book which is distributed to the Directors at least one week before the meeting. In addition, the Company allows each Director to claim professional training fees on a per annum basis as approved by the Board from time to time. All Board members are encouraged to keep abreast of current legislation and Directors can attend relevant and suitable courses as part of their director training. During the year, Directors attended training courses/seminars relating to compliance, regulatory matters and economic outlook. Courses include:

- Anti-money laundering
- Expert networks engagement
- Media relations
- Co-investment and employee co-investment policy
- Challenges to shareholders in small/middle-cap Hong Kong property companies by China Real Estate Chamber of Commerce
- New fund manager code of conduct
- Cybersecurity
- Introduction to consolidated financial statements
- Futures and options securities
- Business Revolution and Innovation Network
- ACRA-SGX-SID Audit Committee Seminar 2019
- Investment Funds Forum
- Investment and distressed corporate restructuring

Newly appointed Directors are briefed by the Investment Manager on the Company's business activities, policies, regulatory and governance environment as well as statutory and other duties and responsibilities of Directors. Where required, the Company provides appropriate training and briefing programme for new Directors.

### **Board Composition and Board Membership**

#### ***Principle 2: There should be a strong and independent element on the Board***

The Code recommends that, in the case of TIH where the Chairman is not an independent director, independent Directors should make up at least one-half of the Board.

The Board with the aid of the NC had reviewed the composition of the Board and is satisfied that there is a strong and independent element on the Board which consists of 9 members, of whom 5 are independent, 3 are affiliated with significant shareholders and one is affiliated with the Investment Manager.

The Board is of the view that gender plays an important aspect of diversity and when a Board vacancy arises, the Board will as far as possible, include suitable female candidates for consideration by the Nominating Committee. Currently, the Board comprises 8 male directors (88.89%) and 1 female director (11.11%).

The Board had assessed Mr Vince Feng who has been a director of certain ASM companies since November 2010 and deemed that these appointments had not impaired Mr Feng's independent status in TIH. The ASM group was a substantial shareholder of the Company as at 31 December 2018.

Over the past 3 years, one of the Independent Directors, Mr Daniel Budiman, had resigned effective 28 June 2016. He had stepped down as a TIH Non-Executive Independent Director as he was expected to be involved in the new funds to be managed by the Investment Manager. In replacement, Mr Thanathip Vidhayasirinun has been appointed as a non-executive independent director of the Company with effect from 4 August 2016. All the Independent Directors namely Mr Liong Tong Kap, Mr Vince Feng, Mr Thanathip Vidhayasirinun, Mr Sin Boon Ann and Mr Tan Chade Phang (Roger) have in-depth knowledge and experience in investment/fund management industry. Educational background and work experience of these 5 Independent Directors are disclosed on pages 95 to 112 of this Annual Report.

The strong and independent element on the Board allows the Board to take a broader view of the Company's activities and bring independent judgement to bear on issues for the Board's consideration. All members of the Board are non-executive except for Mr Kin Chan and Mr Wang Ya Lun Allen who are deemed executives on the TIH Board.

The Board and Board Committee meetings are scheduled well in advance in consultation with the Directors. In addition, board members meet outside of scheduled meetings without management executives for discussions and updates. Attendance at Board or Board Committee meetings via telephone conferences do take place and is permitted under TIH's constitution.

The Non-executive Directors meet with the external auditor, KPMG LLP at least once every year without the presence of the management.

BDO LLP, the internal auditors met the Directors without the presence of the management during the November Board meeting in 2018.

The nature of the Directors' appointments on the Board and details of their membership on Board Committees as at the date of this Annual Report are set out below:

Director	Board Membership <sup>#</sup>	Committee Membership			
		Nominating	Remuneration	Audit	Risk Governance
Kin Chan	Chairman Affiliated with substantial shareholders	Member	–	–	Member
Wang Ya Lun Allen	Represents the Investment Manager	–	–	–	Member
Vince Feng	Independent	–	Chairman	Member	Member
Liong Tong Kap	Independent	Member	–	Chairman	Member
Li Yick Yee Angie	Affiliated with substantial shareholders	–	Member	–	Member

Director	Board Membership <sup>#</sup>	Committee Membership			
		Nominating	Remuneration	Audit	Risk Governance
Thanathip Vidhayasirinun	Independent	Chairman	–	Member	Member
Alex Shiu Leung Au	Affiliated with substantial shareholders	–	–	Member	Member
Sin Boon Ann	Independent	–	Member	–	Chairman
Tan Chade Phang (Roger)	Independent	–	–	–	Member

# All Directors are non-executive except Mr Kin Chan and Mr Wang Ya Lun Allen who are both deemed executive. Mr Allen Wang is the chief executive officer of the Investment Manager, a wholly owned subsidiary of the Company and a Director of TIH. Allen does not draw any Director fee or allowance from TIH and is paid an employee's salary from the Investment Manager. Please refer to page 73 of the Annual Report for the explanation on Mr Kin Chan's role.

Over the 3 years of assessment by the Board, there was one Director who resigned. Mr Daniel Budiman, an independent non-executive Director, had resigned effective 28 June 2016.

The Code also recommends that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to a particularly rigorous review. As Mr Liong Tong Kap and Mr Vince Feng have served on the Board for more than 9 years, the Board had thoroughly reviewed their independence. Mr Liong, the former Chief Investment Officer of NTUC Income Insurance Co-Operative Limited (NTUC Income), first joined the TIH Board in April 2001 as a non-independent Director representing the interests of NTUC Income. In July 2009, NTUC Income informed TIH that Mr Liong can be deemed to become an independent Director of TIH due to his impending cessation of employment with NTUC Income. The Board confirmed Mr Liong's independence in September 2009. The Board had observed that over the tenure, from 2001 until present, Mr Liong has a good track record of board service without any blemish and has met all the definitions of an independent director as defined under the Code. In addition, Mr Liong has shown independence in character and judgement in his discharge of his duties as a director. With Mr Liong's experience in the investment industry and length of service, he had accumulated much knowledge of the business of TIH and contributed actively to the Board activities. Therefore after reviewing the aforesaid factors, the Board is of the opinion that Mr Liong's independence is affirmed and he will be able to continue to act in the best interests of TIH and its shareholders. Mr Feng has been on the TIH Board for about 10 years and has many years of experience in the fund and investment industries and has managed many large fund companies. Mr Kin Chan noted that there are not many individuals with long and knowledgeable experience in the fund industry it is not easy to persuade such experienced individuals to join the TIH Board. Hence, despite Mr Feng's long term of service, he remains very much independent in his views which are valued by his fellow board members.

The Board with the aid of the NC had performed the necessary annual reviews and had determined that:

- taking into account the nature and scope of the Company's activities, its Board size is appropriate for effective debate and decision-making;
- the Board has the right mix of expertise, experiences and skills and comprises persons who as a group are representative of the principal shareholders of the Company and provide the competencies required for the Board to be effective and to meet the Company's objectives.

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TIH's constitution states that one-third of the Directors must retire for the time being or if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one shall retire from office and a retiring Director at an Annual General Meeting shall retain office until the close of the Annual General Meeting. In addition, any Director appointed to fill a casual vacancy or as an additional Directors shall hold office only until the next Annual General Meeting but shall not be taken into account in determining the number of Directors who retire by rotation at such Annual General Meeting.

A retiring Director is eligible for re-election by shareholders at the Annual General Meeting. The Directors to retire in every year shall be those who being subject to retirement by rotation have been longest in office since their last election or appointment or have been in office for the three years since their last election. However, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

### **Access to Information/Accountability**

#### ***Principle 6: Board members to have complete, adequate and timely information***

#### ***Principle 10: Accountability of Board and Investment Manager***

The Investment Manager aims to provide complete, adequate and timely information to the Board prior to meetings and on an on-going basis. The notice and agenda for meetings and board papers including, amongst others, minutes of meetings, quarterly and full year financial statements, budgets, financial plans, audit plans, investments/divestments update, legislative/regulatory/governance changes, Director's interest disclosures, proposals and reports are provided to the Board well in advance of the scheduled meetings to prepare the Directors for the meetings. For any further enquiries, the Board has separate and independent access to the staff as well as senior management of the Investment Manager at all times.

The Board meets at least four times a year. Four Board meetings were scheduled in FY2018. In between board meetings, topics to be discussed are communicated via face to face informal sessions, emails and telephone conversations/conferences and (where required) directors will revert on their decisions.

Directors' attendance at Board and Committee meetings are recorded for each financial year and is listed on page 76 of this report.

Six of TIH Directors have extensive experience in jurisdictions outside Singapore, namely, Mr Kin Chan, Chairman and non-executive Director, Ms Angie Li, Mr Vince Feng, Mr Thanathip Vidhayasirinun, Mr Allen Wang and Mr Alex Au. None of the Directors with the exception of Mr Allen Wang is a former or current employee of TIH or its subsidiaries. Mr Allen Wang is the current CEO of TIHIM, a wholly owned subsidiary of TIH.

#### **Mr Alex Shiu Leung Au**

#### **Non-Executive Director**

Mr Au was appointed to the Board on 1 June 2018. He is a member of the Audit Committee as well as the Board Investment Committee of the Company.

Since July 2011, Mr Au is the Chief Financial Officer of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, all public listed companies in Hong Kong. Prior to that, Mr Au was an Executive Director and Company Secretary of Asia Commercial Holdings Limited, a public listed company in Hong Kong.

Mr Au holds a Bachelor of Commerce (Accounting) degree with honours from the University of Birmingham. In addition, he is a Fellow member of Institute of Chartered Accountants in England and Wales as well as a Fellow member of Hong Kong Institute of Certified Public Accountants.

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**Mr Sin Boon Ann**  
**Independent Director**

Mr Sin was appointed to the Board on 1 June 2018. He is the Chairman of the Risk Management Committee as well as a member of the Remuneration Committee of the Company.

Mr Sin is currently a Consultant with Drew & Napier LLC. Prior to that, he was the Deputy Managing Director of the Corporate & Finance Department and the Co-head of the Capital Markets Practice in Drew & Napier LLC for 17 years. Mr Sin is recognized in industry publications as an industry leader and for his expertise in capital markets. He also specializes in corporate finance and mergers and acquisitions. Mr Sin was a Member of Parliament for Tampines GRC from 1996 to 2011. He was conferred the Singapore National Day Award – “The Public Service Star (Bintang Bakti Masyarakat)” in 2018 and “The Public Service Medal (Pingat Bakti Masyarakat)” in 2013 by the President of Singapore and received the NTUC May Day Award – “Distinguished Service Award” in 2018, “Meritorious Service Award” in 2013 and “Friends of Labour Award” in 2003.

Mr Sin is also the lead independent director of several SGX-ST listed companies namely OUE Limited since 25 May 2009, Rex International Holding Limited since 26 June 2013 and HRnetGroup Limited since 16 May 2017 and an independent director of Datapulse Technology Limited since 10 September 2018 and CSE Global Limited (listed on the SGX-ST) since 13 May 2002.

Mr Sin received his Bachelor of Arts and Bachelor of Laws (Honours) degrees from the National University of Singapore and a Master of Laws from the University of London.

**Mr Tan Chade Phang (Roger)**  
**Independent Director**

Mr Tan was appointed as an Independent Director of the Company on 1 June 2018. He is a member of the Risk Management Committee.

Mr Tan is currently the Chief Executive Officer of Voyage Research since 2009. Prior to that, he was an investment analyst with Standard Chartered Bank from 2007 to 2008 and the lead investment analyst in SIAS Research Pte Ltd from 2005 to 2006. Mr Tan has been the president of the Small and Middle Capitalization Companies Association since 2015.

Mr Tan is also the lead independent director of OUE Lippo Healthcare Ltd (listed on the SGX-ST) since January 2017 and Starland Holdings Limited (listed on the SGX-ST) since February 2016. He was formerly an independent director of Transcorp Holdings Limited from May 2017 to February 2018 and an independent director of Dapai International Holdings Co. Ltd. (listed on the SGX-ST) from March 2016 to July 2018.

Mr Tan holds a Bachelor of Business in Accountancy degree and a Master of Finance degree both from RMIT University.

The Board also has separate and independent access to the Company Secretary at all times. Under the direction of the Investment Manager, the Company Secretary, who attends all Board and committees’ meetings, ensures good communication between the Company and its Directors as well as to facilitate orientation and professional development as required. The Company Secretary also ensures board procedures are followed and applicable laws and regulations are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

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The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects. The Investment Manager provides periodic reports on the Company's performance and prospects to the Board. Additionally, the Investment Manager reports the performance of the investments to the Board each quarter and the performance of the investments is reviewed semi-annually by the external auditors for compliance with investment guidelines and valuation principles. The Board is then provided with the Company's financial results together with the investment valuations by the Investment Manager on changes (if any) on the valuation of the Company's investment portfolios.

Where appropriate, written policies such as the securities trading policy, currency management policy and whistle-blowing policy are established and approved by the Board to ensure compliance with legislative and regulatory requirements.

To facilitate the Directors' discharge of their duties, when independent professional advice is required, it is proposed to the Board with relevant quotations of fees of such advice for the Board's approval. Upon the Board's approval, such expense is borne by the Company.

## **Board Committees**

### **Nominating Committee ("NC")**

*Principle 4: Formal and transparent process for appointment and re-appointment of directors to the Board*

*Principle 5: Formal assessment of the effectiveness of the Board and contributions of each director*

The NC, meets annually, is currently comprised of the following 2 non-executive and 1 deemed executive members, two of whom are independent:

Thanathip **Vidhayasirinun** - Chairman (independent and non-executive)

**Liong** Tong Kap (independent and non-executive) (Lead Independent Director)

Kin **Chan** (deemed executive)

As recommended by the Code, the Lead Independent Director, Mr Liong Tong Kap, is a member of the NC.

The NC had reviewed Board succession plans for directors, in particular, the Board Chairman. The Company does not have a CEO and thus there is no such review. The NC and the Board have the consensus that as the Board Chairman represents one of the major shareholders, there is no requirement for Board Chairman succession plan. In the unlikely event that there is no Chairman or CEO, the quality and ability of the Board members are such that they can step in as the interim Chairman/ CEO while the search is on for the replacement Chairman/CEO. As part of the progressive refreshing of the Board, the Company is constantly sourcing for suitable candidates as independent directors.

The terms of reference of the NC are as follows:

- Recommend the appointment and re-appointment of the Directors;
- Conduct an annual review of the composition of the Board;
- Conduct an annual review of the independence of each independent Director, particularly an independent Director who has served on the Board beyond nine years from his appointment date, and ensure that the Board comprises at least one-half independent Directors as the Board Chairman is non-independent;
- Assess the effectiveness of the Board;



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- Report to the Board with regard to these terms of reference; and
  - Review the results of the Board's annual self-assessment and suggest to the Board any recommendations/actions in respect of the self-assessment results.

In accordance with the Constitution of the Company, one-third of the Directors retire from office at each Annual General Meeting according to their length of service. In addition, a newly appointed Director must submit himself for re-election at the Annual General Meeting immediately following his appointment.

The Directors who are due for retiring and re-election at the forthcoming Annual General Meeting in accordance with Article 107 of the Constitution of the Company are Ms Li Yick Yee Angie (Non-executive Director and Member of the Remuneration Committee), Mr Kin Chan (Chairman of the Board, Non-executive Director and Member of both the Nominating Committee and Board Investment Committee) and Mr Vince Feng (Independent Director, Chairman of the Remuneration Committee and Member of both the Audit Committee and Board Investment Committee).

During the year, 3 new Directors were appointed and they will be due for retiring and re-election at the forthcoming Annual General Meeting in accordance with Article 111 of the Constitution of the Company. They are Mr Alex Shiu Leung Au (Non-executive Director and Member of the Audit Committee and Board Investment Committee), Mr Sin Boon Ann (Independent Director, Chairman of the Risk Management Committee and Member of the Remuneration Committee) and Mr Tan Chade Phang (Roger) (Independent Director).

With each retiring Director abstaining from voting his own nomination for re-appointment, the NC has, after considering each retiring Director's contributions and performances (e.g. attendance, preparedness, participation and candour) including, if applicable, the independence as an independent director, recommended that each retiring Director be nominated for re-appointment at the forthcoming Annual General Meeting. The Board, with each of the retiring Directors abstaining from deliberating on their own nominations, has accepted the recommendation and the retiring Directors would be offering themselves for Shareholders' re-election at the forthcoming Annual General Meeting.

The NC had performed the necessary annual review and had determined that taking into consideration the Code's definition of who constitutes an independent director<sup>2</sup>, the Board is satisfied with the independence of the independent Directors, namely Mr Vince Feng, Mr Liong Tong Kap, Mr Thanathip Vidhayasirinun, Mr Sin Boon Ann and Mr Tan Chade Phang (Roger). In particular, the NC had paid particular attention in assessing the independence of Mr Liong Tong Kap and Mr Vince Feng who have served on the Board beyond the nine year period as recommended by the Code.

In discharging their directorship responsibilities, both Mr Liong and Mr Feng have demonstrated independence of mind, character and judgement and as such the Board is satisfied that they will continue to exercise such independent judgement and continue to act in the best interests of the Company and Shareholders.

The NC has used its best efforts to ensure that the Board comprises members who represent strategic shareholders as well as independent members who will enhance governance in the interests of all shareholders. The procedure for the selection of new Board members is as follows:

- When a board vacancy arises, Board members source and recommend appropriate personnel to the NC. The curriculum vitae of the potential director is circulated to all Board members;

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<sup>2</sup> The Code defines an independent director as one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company. A related corporation, in relation to a company, shall have the same meaning as currently defined in the Companies Act, i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.

- NC members arrange for informal meeting(s) with the short-listed candidate(s) and appraise the candidates to ensure that the candidate possess the relevant expertise, experience and skills for the Company;
- If found suitable, Board members discuss with the NC the final choice and the chosen candidate is offered the directorship position.

When a Director has multiple board representations, such a Director is expected to ensure that sufficient time and attention is given to the affairs of the Company. The NC has reviewed with Board members in an open session the effectiveness of the Board and the contribution of each of the Directors. It is generally satisfied that the Board and each of its members have adequately discharged his/her respective duties. As determined by the Board on the NC's recommendation, independent Directors who are not full time executives may hold up to a maximum of 6 listed company board representations. The Board is satisfied that currently, the number of listed company board representations held by each Board member does not exceed the number set by the Board and the Company respects that each director's judgement on their own time commitment for their directorships.

<b>Name of Director</b>	<b>Number of Appointments in other Listed Companies</b>	<b>Nature of Appointment</b>
<b>Kin Chan</b>	2	Non-executive Director
<b>Allen Wang*</b>	1	Alternate Director
<b>Vince Feng</b>	1	Independent Director
<b>Thanathip Vidhayasirinun</b>	1	Independent Director
<b>Sin Boon Ann</b>	4	Independent Director
<b>Tan Chade Phang (Roger)</b>	2	Independent Director
<b>Liong Tong Kap</b>	Nil	N.A.
<b>Li Yick Yee Angie</b>	Nil	N.A.
<b>Alex Shiu Leung Au</b>	Nil	N.A.

\* Mr Allen Wang's appointment in other listed company is related to a portfolio company of TIH.

As recommended by the Code, when alternate directors are proposed to be appointed, the NC and the Board shall generally avoid approving such appointment unless the director has a medical emergency or any other reasons that the NC and the Board shall determine as valid. Prior to recommending such appointment to the Board for approval, the NC shall appraise the proposed alternate director to assess his familiarity with the company affairs and whether he qualify as an independent director if he is to be appointed as an alternate director to an independent director. Such appointment is only for a limited period and the alternate director bear all the duties and responsibilities of a director.



The year of initial appointment and last re-election/scheduled re-election of Directors are set out below.

Director	Age <sup>#</sup>	Position	Date of Initial Appointment	No. of Years as Director	Appointment Period under Current Chairman (At 31 Dec 2018)	Date of Last/Scheduled Re-election
<b>Kin Chan</b>	52	Chairman	1 October 2004 <sup>+</sup>	14 years	13 years	26 April 2017 (Next: 24 Apr 2019)*
<b>Wang Ya Lun Allen</b>	42	Member	26 February 2015	4 years	4 years	25 April 2018
<b>Vince Feng</b>	46	Member	1 March 2008	10 years	10 years	26 April 2017 (Next: 24 Apr 2019)*
<b>Liong Tong Kap</b>	64	Member	12 April 2001 <sup>^</sup>	17 years	13 years	25 April 2018
<b>Li Yick Yee Angie</b>	45	Member	11 August 2006	12 years	12 years	27 April 2016 (Next: 24 Apr 2019)
<b>Thanathip Vidhayasirinun</b>	52	Member	4 August 2016	2 years	2 years	26 April 2017
<b>Alex Shiu Leung Au</b>	54	Member	1 June 2018	< 1 year	< 1 year	24 April 2019
<b>Sin Boon Ann</b>	61	Member	1 June 2018	< 1 year	< 1 year	24 April 2019
<b>Tan Chade Phang (Roger)</b>	42	Member	1 June 2018	< 1 year	< 1 year	24 April 2019

# As at date of this Annual Report

+ Appointed Chairman of Board on 1 May 2005

^ Deemed as an independent Director from 1 September 2009

\* Between Mr Kin Chan, Mr Vince Feng and Mr Thanathip Vidhayasirinun, all of whom were last re-elected on the same date, the Board has determined that Mr Kin Chan and Mr Vince Feng will retire for re-election at the next AGM as their tenures as Director are longer than Mr Thanathip Vidhayasirinun.

Once a year, the Board does a self-assessment on its performance. Subject matters evaluated in the questionnaires cover the following key areas: (A) Board Composition and structure, including independent elements and right mix of expertise, skills and experience on the Board; (B) conduct of Board meetings including Board culture, full discussion and Directors' feedback, access to company officers; (C) Board accountability – long term future and strategy, line of commentaries, risk management and internal controls; (D) Corporate Strategy and Planning including sustainability issues and board succession; (E) Communication with shareholders including allowing shareholders to have the opportunity to participate effectively at AGMs. The Board includes its net asset value and dividend payment as part of its performance criteria.

The Board is of the opinion that the self-assessment evaluation is more than sufficient for TIH's needs. It is more important for the Board to deliver shareholders' values, protection and minority interest.

Key information regarding Directors are disclosed on pages 95 to 98 of this Annual Report.

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## Remuneration Committee (“RC”)

*Principle 7: Formal and transparent procedure for fixing remuneration packages of directors*

*Principle 8: Remuneration of directors should be adequate but not excessive*

*Principle 9: Remuneration policy, level and mix of remuneration and procedure for setting remuneration*

The RC, meets annually, is currently comprised of the following 3 non-executive members, two of whom are independent:

Vince **Feng** – Chairman (independent and non-executive)

**Sin Boon Ann** (independent and non-executive)

**Li Yick Yee Angie** (non-executive)

The RC terms of reference are to review and recommend to the Board the framework for remuneration of the Directors taking into consideration industry practices, level of contribution/responsibility of the Directors and corporate performance. Save and except for Directors’ fees which are paid in arrears after approval by shareholders at the Annual General Meeting, no other forms of remuneration are paid to the Directors. As the Company has no direct staff or employees and is managed by the Investment Manager via a Management Agreement, the RC reviews only the fees of the Board Members.

With effect from June 2018, TIH has a 9 member board with 5 sub committees, comprising Risk Governance, Audit, Nominating, Remuneration and Board Investment. Due to the enlarged Board, TIHIM, the Investment Manager, recommended a reduction of directors’ fees, namely a reduction to the base director’s fee and a reduction of the fees payable to board investment committee. The base fee of each director is reduced to \$23,000 per annum from \$38,000 per annum and the fee to each board investment committee member is reduced to \$25,000 per annum from \$50,000 per annum. The reduction in such Director’s Fees was agreed by the Board and the Board recommends the following schedule of Directors’ fees payable for the year ended 31 December 2018 to be approved by Shareholders at the forthcoming annual general meeting.

### Proposed Fees

Basic fee for all Directors	S\$23,000 (Reduced from S\$38,000)
Allowance for Chairman of the Board	S\$33,000
Allowance for Chairman of the Audit Committee	S\$27,000
Allowance for Audit Committee Members	S\$16,000
Allowance for Chairman of the Nominating Committee	S\$10,000
Allowance for Nominating Committee Members	S\$5,000
Allowance for Chairman of the Remuneration Committee	S\$8,000
Allowance for Remuneration Committee Members	S\$4,000
Allowance for Board Investment Committee Members	S\$25,000 (Reduced from S\$50,000)
Fee for Lead Independent Director	S\$10,000

No additional fee is payable for meeting attendance. The management and operation of the Company are vested in the Investment Manager. Mr Allen Wang, a Deemed Executive Director of the Company and a representative of the Investment Manager on the TIH Board, does not receive any fee from the Company.

No Director decides on his own fees.

The remuneration of each of the Directors for the financial year ended 31 December 2018, which is subject to approval at the forthcoming annual general meeting, falls below S\$90,000 per director and is solely derived from Directors' fees. A breakdown of the Directors' Fees to be paid to each Director for FY2018 upon approval by the Shareholders at the forthcoming Annual General Meeting is as follows:

Director	Basic Fee (Inc Board Chair)	AC Chair/ Member	NC Chair/ Member	RC Chair/ Member	Board Investment Member	Lead Independent Director	Total Directors' Fees
<b>Kin Chan</b>	\$56,000	–	\$5,000	–	\$25,000	–	\$86,000
<b>Allen Wang</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Vince Feng</b>	\$23,000	\$16,000	–	\$8,000	\$25,000	–	\$72,000
<b>Liong Tong Kap</b>	\$23,000	\$27,000	\$5,000	\$1,666*	–	\$10,000	\$66,666
<b>Angie Li</b>	\$23,000	–	–	\$4,000	–	–	\$27,000
<b>Thanathip Vidhayasirinun</b>	\$23,000	\$16,000	\$10,000	–	–	–	\$49,000
<b>Alex Shiu Leung Au*</b>	\$13,485*	\$9,381*	–	–	\$4,178*	–	\$27,044
<b>Sin Boon Ann</b>	\$13,485*	–	–	\$2,345*	–	–	\$15,830
<b>Tan Chade Phang (Roger)</b>	\$13,485*	–	–	–	–	–	\$13,485

\* Pro-rated as appointed/resigned during FY2018

The Company has no employees and there are no employees of the Company's subsidiaries who are immediate family members of the Directors and there are also no employees of the Company or its subsidiaries who are related to any Substantial Shareholder for the financial year ended 31 December 2018.

The management of the Company is vested in the Investment Manager, TIHIM, a wholly owned subsidiary of TIH. The Company does not have any employees, thus there is no long term incentive schemes such as an employee share option scheme. All staff are engaged by TIHIM. As at 31 December 2018, TIHIM has 14 employees in its employment.

For FY 2018, none of the remuneration paid to the employees of TIHIM is above \$450,000. Other than payment in lieu of notice in the event of termination, no other termination, retirement and post employment benefits were included in the employment contracts of TIHIM employees.

As the Company has no employee, the Board is of the view that disclosure of remuneration information of the senior management personnel of TIHIM is not in the best interests of TIH due to the sensitivity and confidential nature of such information in a competitive talent market. TIH has decided that to ensure retention of the key management team of TIHIM, this information is not disclosed.

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## Audit Committee (“AC”)

### *Principal 12: Establishment of Audit Committee with written terms of reference*

The AC is currently comprised of the following 4 members, 3 of whom are independent and non-executive; Mr Alex Shiu Leung Au is non-independent and non-executive:

**Liong Tong Kap** - Chairman (independent and non-executive) (Lead Independent Director)

Vince **Feng** (independent and non-executive)

**Thanathip** Vidhayasirinun (independent and non-executive)

Alex Shiu Leung **Au** (non-independent and non-executive)

Mr Alex Shiu Leung Au joined the AC on 1 June 2018.

None of the AC members had been a former partner or director of KPMG LLP (“KPMG”), the Company’s external auditors. All members of the AC are appropriately qualified to discharge their responsibilities. Key information of the AC members’ academic and professional qualifications and experiences is set out on pages 96 to 98 of the Annual Report.

The AC performs the following main functions with these terms of reference:

- Review the audit plans and scope of work of the external auditors. Note that the AC has directed that the external auditors review that the operations of the Company are in accordance with the guidelines as set out in the Prospectus and any related amendments and that the remuneration of the Investment Manager is calculated according to the Management Agreement and any related amendments;
- Review and recommend the full-year, half-year and quarterly announcements and the financial statements of the Company and Group as well as the auditors’ report thereon before submission to the Board for approval;
- Review the findings, if any, of the external auditors and internal auditors and the responses of the Investment Manager;
- Review the nature and extent of non-audit services provided by the external auditors;
- Nominate the external auditors for appointment or re-appointment and reviews the level of audit fees, cost effectiveness of the audit and the independence and objectivity of the external auditors;
- Investigate any matter reported to the AC regarding improprieties in matters of financial reporting or other matters within its terms of reference;
- Review with the Investment Manager and their auditors the internal controls in respect of the Investment Manager and the Company;
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Review interested person transactions in accordance with the requirements of the listing rules of the Singapore Exchange Securities Trading Limited;
- Review and resolve any potential conflicts of interest between the Investment Manager and the Company; and
- Review the report on the Interested Persons Transactions.

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The AC held four meetings in 2018. It has full discretion to (i) invite any Director and any staff member of the Investment Manager to attend its meetings; (ii) require any such Director and any staff member of the Investment Manager in attendance to leave the meetings to facilitate open discussion on any matter that may arise; and (iii) investigate any matter within its terms of reference with full access to and co-operation by the Investment Manager. Matters discussed at the AC meetings include quarterly and annual financial results and announcements, audit plans and reports as well as the Investment Manager's response to the audit findings. Relevant matters were then reported or recommended to the Board for action or approval.

During the year, the AC met with the external auditors, KPMG, without the presence of the management to discuss the audit plan for TIH group which includes the audit process, scope, focus and materiality of the audit. In addition, key changes to reporting standards and regulatory requirements which are applicable to the Company are also reported to the AC so that AC members are updated with these changes. The AC also met with the Internal Auditors, an independent audit firm engaged to review the effectiveness of the internal controls of the Company without the presence of the management. In addition, Mr Liong Tong Kap, the AC Chair as well as the Lead Independent Director met KPMG in October 2018 and February 2019 to discuss about the Audit matters.

The Board is responsible for the initial appointment of the external auditors. Shareholders subsequently approve the appointment/re-appointment of auditors at the AGM every year. The external auditors hold office until its removal or reappointment. The AC assesses the external auditors based on factors such as performance and quality of audit and recommends its appointment to the Board.

The AC has reviewed and confirmed that the aggregate amount of fees paid/payable to KPMG, the external auditors, for the financial year ended 31 December 2018 is S\$359,521, comprising S\$286,400 audit fees and S\$73,121 non-audit fees.

The AC reviewed all non-audit services provided by KPMG and noted that the fees paid to the external auditors for non-audit services during the financial year does not exceed 50% of the total amount of fees paid to the auditors. Having considered that the non-audit fees arose primarily from tax advisory services which were not prohibited services and do not pose a threat to the external auditors' independence, the AC is satisfied that the nature and extent of such services and the corresponding fees would not affect the independence and objectivity of KPMG, and is pleased to recommend their re-appointment.

The AC noted that Mr Amit Sadana, a partner in KPMG who is in charge of the audit of TIH's group of companies, has been appointed with effect from FY2017. The AC also noted that the Company is in compliance with Rule 712, 715 and 716 in relation to its auditing firm.

The AC has directed KPMG to review that the operations of the Company are in accordance with the guidelines as set out in the Prospectus and any related amendments.

The AC also reviews the Interested Person Transactions ("IPTs") (as defined in the listing manual of SGX-ST) within the group at the extraordinary general meeting of the Company held on 11 September 2018, whereby shareholders approved the Interested Persons Transactions Mandate with Argyle Street Management Holdings Limited and its associates subject to the review procedures as stated in the Circular dated 27 August 2018. The review procedures are established to ensure that the Mandated IPTs are undertaken on an arm's length basis and on normal commercial terms. The Company has put in place a register recording (i) all mandated IPTs; (ii) the amount of monies at risk for the entity at risk group in connection with each Mandated IPTs; (iii) the basis for determining the transaction amounts / prices (as the cases may be) and (iv) supporting evidence obtained to support the aforementioned basis. The AC reviews the report of all recorded IPTs entered into by the EAR Group to ascertain the guidelines and procedures established has been adhered with. In the event that a member of the Board, a member of the AC, a member of the MIC, a member of the BIC or an authorised reviewing officer (where applicable) has a conflict of interests in relation to any Mandated IPT, he will abstain from reviewing that particular transaction.

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The Company has adopted a whistle-blowing policy which has been endorsed by the AC. The whistle-blowing policy is for staff of the Investment Manager acting in good faith and confidence to raise observations and any concerns which they have on any corporate improprieties to the Audit or Remuneration Committee Chairs. Staff may wish to report to his/her immediate supervisor or if the matters relates to his/her immediate supervisor, then reporting it to the CEO or if the proceeding procedures is not appropriate in view of the circumstance or nature of the incident, the matter can be reported to the AC Chair or RC Chair. It is up to the staff member to check the most appropriate channel for reporting incidents which they wish to disclose. However, if a matter is reported to an authority that is not competent to deal with it, it is up to the authority to transmit in strictest confidence, the relevant information and documents to the competent authority and to inform the member of the staff accordingly.

The protection of a person reporting any irregularity shall be given. First of all by the fact that his/her identity will be treated in confidence. This means that his/her name will not be revealed, unless the whistle blower personally authorises the disclosure of his/her identity or it is a statutory requirement, particularly if it is essential to ensure that the right of the person implicated be given a fair hearing is upheld.

The AC recognizes the increased responsibilities as laid out in the Code and has taken steps to ensure that these responsibilities are duly carried out.

KPMG LLP, the external auditors periodically updates the AC and the Board on changes or amendments to accounting standards to enable members of the AC and the Board to keep abreast of such changes and the corresponding impact of the financial statements, if any. Directors are also invited to attend seminars, talks and updates on changes to accounting standards and current issues by accounting firms and the SGX.

## **Risk Management, Internal Controls and Internal Audit**

*Principle 11: Sound system of risk management and internal controls*

*Principle 13: Setting up independent internal audit function*

Risk Management – In November 2012, the TIH board decided that the entire board as a whole should handle the Risk Governance matters and policies and that a Risk Governance meeting should be held at least once a year. The Board also decided that there is no necessity to have a separate Risk Officer appointed as the management of TIH is handled by the Investment Manager. The Investment Manager is to report on risk matters and propose a schedule on such reporting to include all risk governance, monitoring, policies and implementation.

The Board held its Risk Governance Committee (“**RGC**”) meeting on 1 November 2018 which was chaired by Mr Sin Boon Ann, the Chairman of the RGC. BDO LLP was appointed to assist the Board in reviewing and updating the risk register based on an Enterprise Risk Management (“**ERM**”) workshop conducted for the Company during the year. This register is meant to be an ongoing record of the major risks affecting the Company. This register should be updated whenever the ERM exercise is extended to additional clusters.

The ERM defines the risk management policies and procedures that TIH needs to be complied with. It provides a systematic and continuous approach to identifying and prioritising risks that can affect the organisation and also the corresponding countermeasures to the risks, where available and ultimately, reporting the assessment of risks and countermeasures in place to the highest authority in the organisation to enable monitoring and relevant decisions to be undertaken.

Terms of References of the Board Risk Committee are:

- To determine and review the Company’s overall risk tolerance and strategy;
- To determine and review the current risk exposures and future risk strategy of the Company;



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- In relation to risk assessment:
    - (a) keep under review the Company's overall risk assessment processes;
    - (b) review regularly and approve the parameters used in these measures and the methodology adopted; and
    - (c) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;
  - Company's capability to identify and manage new risk types;
  - The proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;
  - Any material breaches of risk limits and the adequacy of proposed action;
  - Keep under review the effectiveness of the Company's internal controls and risk management systems and review and approve the statements to be included in the annual report concerning the effectiveness of the Company's internal control and risk management systems;
  - Review the Company's procedures for detecting fraud, including the whistleblowing policy. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
  - Monitor the independence of risk management functions throughout the organization;
  - Review promptly all relevant risk reports on the Company; and
  - Review and monitor the Investment Management's responsiveness to the findings.

The operations of the Company have been delegated and assigned to the Investment Manager which is expected to exercise discipline in discharging its fiduciary responsibilities. The Investment Manager has adopted the Internal Control and Compliance Manual ("ICCM") that are well documented and regularly updated. Every Director and staff of the Investment Manager is required to adhere to the ICCM as a condition of his/her employment. The ICCM includes, among other things, financial control, management of funds, management of information systems, procedures for investments and divestments, management of portfolio companies and compliance with financial, administration and legal controls.

In addition, the Investment Manager operates under a set of guidelines stipulated in the TIH Prospectus and any changes to these guidelines are subject to the approval of the Board. Compliance with these guidelines are verified quarterly by the Company's external auditors.

The Company has outsourced its internal audit function to an independent auditing firm, BDO LLP. The internal audits are performed in line with their firm's Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing recommended by the Institute of Internal Auditors. The Internal Audit was conducted with the objectives of highlighting missing controls of the current processes, ascertain that processes were conducted in accordance with established policies and procedures and to identify areas of improvement where controls can be strengthened. Internal control weaknesses noted during the audit and the respective auditors' recommendations are reported to the AC and follow-ups and implementations are handled by the Investment Manager where applicable.

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The Board had received assurance from the Chief Executive Officer and Chief Financial Officer of the Investment Manager that (i) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and financial position; and (ii) the risk management and internal control systems have been put in place.

Based on the internal controls established and maintained by the Investment Manager, and the works performed by the Internal and External Auditors during the financial year, the Board with the concurrence of the Audit Committee, is satisfied that the system of internal controls is adequate in addressing the financial, operational and compliance risks of the Group as it provides:

- Reasonable assurance against material financial misstatements;
- Maintenance of proper accounting records;
- Compliance with appropriate legislations, regulations and best practices; and
- Identification and containment of business risks.

The Board notes, however, that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Company has established good corporate governance through the implementation and management of policies and procedures that are relevant to the Company's business. Such policies and procedures govern financial, operational, information technology and regulatory compliance matters are updated and revised regularly.

The Company has also established a process for evaluating investment and divestment proposals and procedures. The investment portfolio is constantly monitored to ensure that performance is on track to meet the investment objectives. Financial discipline is exercised with funds allocated to the right projects.

The Company has put in place an ERM framework and maintains a risk register. Key risks identified are updated in the risk register and countermeasures in place to address these risks. The Company has engaged BDO LLP to conduct annual review of the Company's business risks and control policies and processes and report any key findings and measures to the Board.

The Chief Executive Officer and Chief Financial Officer of the Investment Manager reported that based on the existing policies and controls in place, the overall risk management and internal control system are adequate and is effective in all material aspects during the financial year ended 31 December 2018 and the Board is satisfied with the effectiveness of the Company's risk management and internal control systems, given the layers of internal and external checks and balances in place.

The Board with the concurrence of the Audit Committee, is of the opinion that the Company's internal controls addressing financial, operational, compliance, information controls and the risk management systems were adequate and effective as at 31 December 2018.



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## ***Financial Risk Management***

### ***Operation Risk***

The investments made by the Group (including investments held by the Company, Little Rock Group Limited and Killian Court Pte. Ltd., both wholly owned subsidiaries of the Company) are primarily in private companies, which are generally illiquid in nature. In addition to general business risks in any investment, such investments can be adversely affected by political instability as well as exchange controls, changes in taxation laws, foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities of the countries in which investments are made.

### ***Currency Risk***

The Group makes long-term investments and treats foreign exchange risks as part of the overall risks to be considered in its investments decisions. The Group does not use any derivative financial instruments to hedge these exposures. However, to cover other currency exposures denominated in non-functional currency arising from the Group's short-term assets and liabilities and expected sales proceeds from investments with definitive certainty, the Group may enter into forward currency contracts to hedge against these foreign currency exposures.

### ***Credit Risk***

Credit risk is the Group's exposure to potential losses if the counterparty fails to fulfil its contractual obligations. The Group's credit risk exposure arises mainly from its loan extended to a portfolio company in conjunction with the Group's investment in the portfolio company. The loan is regularly reviewed in line with the Group's valuation and monitoring process.

### ***Liquidity Risk***

The Group maintains sufficient cash to meet its operating needs.

## **Shareholders Communication**

***Principle 14: Fair and Equitable Treatment to all Shareholders. Recognition, Protection and Facilitation of Shareholders' Rights***

***Principle 15: Regular, Effective and Fair Communication with Shareholders***

***Principle 16: Greater Shareholder Participation at General Meetings***

In addition to complying with the requirements to make announcements under the SGX-ST Listing Manual, the Company adopts the practice of providing Shareholders regularly with information on major developments in its business through SGXNET announcements. The announcements of the results and material developments are released in a timely and non-discriminatory manner to ensure fair disclosure of information. The Board reports to shareholders, amongst other things, a clear assessment of the Company's performance and financial position on a quarterly basis.

The Company ensures that all shareholders receive a copy of the Company's Annual Report, circular(s), notice(s) and agenda of general meetings which is sent out at least 14 days before the meetings. Notices and agendas of general meetings are also advertised in a major local newspaper and announced on SGXNET for greater awareness. Such notices, agendas and circulars are also accessible at the Company's website which is located at <http://www.tih.com.sg>. Press Releases are issued as and when the Company wish to draw shareholders' attention to certain developments. The Board is aware that there should be separate resolutions at general meetings on each substantially separate issue and avoids "bundling" resolutions without valid reasons.

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To encourage Shareholders' participation, general meetings are usually held at convenient locations where public transport is easily accessible. For shareholders who are not able to attend the meetings in person, the Constitution of the Company allows shareholders to appoint up to 2 proxies to attend and vote at general meetings on their behalf. In line with the Companies (Amendment) Act 2014, with effect from the Company's Annual General Meeting held on 27 April 2016, where a member of the Company is a relevant intermediary as defined in Section 181 of the Companies Act, the member is entitled to appoint more than two proxies to attend and vote at general meetings. The Company always include a question and answer session at all general meetings to allow questions, feedback and participation from its shareholders at such meetings. With the exception of Mr Vince Feng, the Chairman of the RC, and Mr Thanathip Vidhayasirinun, the Chairman of the NC who are not based in Singapore, the Chairman of the Board and the Chairman of the AC as well as external auditors are usually available to address questions at the general meetings. Questions relating to the RC and NC will be answered by the members of each respective committee. To ensure fair treatment to shareholders who are not present at the meeting, the Board are specifically reminded not to divulge any information that has not been publicly announced. For Shareholders to participate effectively and vote at general meetings of shareholders, whenever poll-voting is called for, the Company will ensure that the scrutineers explain the poll voting procedures to the shareholders/proxies/corporate representatives present at the meeting before the poll voting commence.

The Investment Manager has retained the services of an Investor Relations Company which assists the Investor Relations function of the Company.

The Company's corporate website at <http://www.tih.com.sg> was launched in October 2014 to provide timely updates on the Company's news and developments. The website contains an online enquiry form where shareholders/investors can direct their queries to. The website contains the last 3 announcements made by TIH and the basic corporate data of TIH.

The Company prepares minutes of general meetings that include substantial and relevant comments and queries from shareholders relating to the agenda of the meeting, and responses from the Board and the Investment Manager and such minutes are available to shareholders upon request.

The Company shall as far as possible put all resolutions to vote by poll and make announcements of the detailed results showing the number of votes cast for and against each resolution and the respective percentages after each general meeting.

### **Securities Transactions**

The Company has in place policies on (i) dealings in securities of the Company and its subsidiaries; and (ii) dealings in securities of other listed entities in which the Company has investments ("**Portfolio Companies**"). These policies set out the requirements under the Securities and Futures Act, Singapore Companies Act and the Listing Manual.

The policy on dealings in securities of the Company and its subsidiaries applies to Directors and officers of the Company and Directors and employees of its subsidiaries. There is also a policy on dealings in securities of Portfolio Companies, which applies to Directors and officers of the Company.

The Company Secretary sends out quarterly reminders on these requirements to all Directors and employees. The Directors and employees are required to inform the Company Secretary of trades within 2 business days.

Similar policies have been adopted by the Investment Manager in respect of the trading of securities of the Company and its Portfolio Companies by the Directors and officers of the Investment Manager.

Under the policies, any trade conducted by the respective personnel should be reported to the Company

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Secretary within 2 trading days of the trade being undertaken. In line with the policies, the Company issues regular circulars informing the respective personnel that they cannot deal in securities of the Company/Portfolio Companies a) during the period commencing two weeks before the announcement of the Company's/Portfolio Companies' financial statements for each of the first three quarters of the respective company's financial year and one month before the announcement of the respective Company's full year financial statements and ending after the date of announcement of the relevant financial statements and b) if they are in possession of price sensitive information. Additionally, the respective personnel cannot deal in the Company's listed securities on short-term considerations.

## **Interested Person Transactions**

Transactions with the Company's interested persons (as the term is defined in the Listing Manual) are subject to review and approval by the AC and are delineated in "Supplementary Information: Interested Person Transactions" on page 72 of the Annual Report.

Some of the Board members own shares in the Company or are affiliated with companies that own shares in the Company. Details are disclosed in the Directors' Report that is included in the Annual Report.

With effect from 1 July 2014, the Company has appointed ASM Administration Limited, affiliated to the ASM Group, a substantial shareholder of the Company, to provide the services of sourcing of potential investment opportunities for the Company at a fee of US\$500,000 per annum which was increased to US\$515,000 per annum with effect from 1 July 2016. This support arrangement formalizes the strategic alliance between the Company and ASM Group and allows the Company to tap into the sourcing network of ASM Group for potential investment opportunities. The Audit Committee and the Board, having reviewed the terms of the support arrangement and a benchmarking study performed by an independent consulting firm (for the fees and services provided), are of the view that the support arrangement is entered into on an arm's length basis on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

During the financial year ended 31 December 2018, no employee of the Investment Manager drew any director's fees or received any remuneration from any of the Company's portfolio of investment companies.

## **Key Information on Board Members**

### **Mr Kin Chan Chairman, Deemed Executive Director**

Mr Kin Chan, our Chairman, has been on the Board since 1 October 2004 and assumed chairmanship of the Company on 1 May 2005. He has also been a member of the Nominating Committee of the Company since 3 August 2011.

Mr Chan is a director of ASM Asia Recovery (Master) Fund ("ASM"), a deemed substantial shareholder of TIH. ASM is approximately 90% owned by ASM Asia Recovery Fund and managed by Argyle Street Management Limited. Mr Chan is also a non-executive director of OUE Limited (listed on the SGX-ST) since 17 March 2010 and CITIC Resources Holdings Limited (listed on Hong Kong Stock Exchange) since 10 March 2017.

He was a non-executive director of Mount Gibson Iron Limited (listed on Australian Stock Exchange) for the period from 22 September 2016 to 5 January 2018 and a non-executive director of The ONE Group Hospitality, Inc. (listed on NASDAQ Stock Market) from 17 November 2017 to 29 January 2019. He was formerly with Lazard Asia Limited and Goldman, Sachs & Co.

Mr Chan holds a Master of Business Administration (MBA) degree from the Wharton School of the University of Pennsylvania and Artium Baccalaureus (AB) degree from the Woodrow Wilson School of Public and International Affairs of Princeton University.

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**Mr Wang Ya Lun Allen**  
**Deemed Executive Director**  
**Chief Executive Officer of the Investment Manager**

Mr Wang has been the Chief Executive Officer of TIH Investment Management Pte. Ltd. since June 2014. Prior to that, Mr Wang held management positions in Argyle Street Management Limited and Credit Asia Capital for seven years, and was responsible for deal origination, structuring and the execution of special situations investments in Southeast Asia and China covering a variety of industries. Mr Wang began his career in Analyst and Associate positions with The Transportation Group, Seabury Group and D. B. Zwirn Asia Partners.

He has also been appointed as an alternate director of CEI Contract Manufacturing Limited, which is listed on SGX-ST, since 17 April 2015. He was a non-executive director of Tengri Resources, listed on AIM, London, UK, for the period from 11 December 2015 to 17 October 2016.

Mr Wang received his bachelor's degree in Accounting from the British Columbia Institute of Technology in Canada, and holds a Master of Arts in Statistics from the Columbia University in New York. Mr Wang is also a CFA charterholder.

**Mr Vince Feng**  
**Independent Director**

Mr Feng has been Chairman of the Remuneration Committee of the Company since 1 February 2013. He was appointed as an independent, non-executive Director on the Board on 1 March 2008 and served as a member of the Audit Committee and Board Investment Committee of the Company.

Mr Feng has been working in the financial services industry since 1994. He has been appointed as an independent non-executive director of Pacific Century Premium Developments Limited, which is listed on Hong Kong Stock Exchange, since 16 March 2018. He previously served as a managing director of General Atlantic LLC, a US\$17 billion global growth private equity firm focused on technology enabled sectors. In 2000, he established the Hong Kong office of General Atlantic, leading the firm's investments in Greater China over the course of his tenure as managing director, including Lenovo's acquisition of IBM's PC division. Prior to that, Mr Feng was a financial analyst with Goldman Sachs (Asia) LLC in Hong Kong.

Mr Feng has a Master of Business Administration (MBA) degree from Stanford University. He also graduated with a Doctor of Philosophy (PhD) in Economic Sociology and a Bachelor of Arts (BA) degree (Honors) in Social Studies both from Harvard University.

**Mr Liong Tong Kap**  
**Lead Independent Director**

Mr Liong was appointed as the Lead Independent Director and the Chairman of the Audit Committee of the Company with effect from 1 February 2013. He has also been a member of the Nominating Committee of the Company since 1 October 2003.

Mr Liong was formerly the Chief Investment Officer with NTUC Income Insurance Cooperative Ltd ("NTUC Income"). He was head of NTUC Income's investment management unit for close to 18 years from 1992 to mid 2009. Prior to that, he was head of NTUC Income's actuarial department for one and a half years. Before joining NTUC Income, he spent over ten years in Monetary Authority of Singapore and oversaw actuarial matters and life insurance.

Mr Liong holds a Bachelor of Science (BSc) degree in Actuarial Science and a Master of Science (MSc) in Applied Finance.

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**Ms Li Yick Yee Angie**  
**Non-Executive Director**

Ms Li is a director of Argyle Street Management Limited (“**Argyle**”). She was appointed as a member of the Remuneration Committee of the Company since 3 August 2011. Prior to joining Argyle, Ms Li worked with Lazard & Co in San Francisco and Hong Kong.

Ms Li holds Bachelor of Arts (BA) and Bachelor of Science (BS) degrees from the University of California at Berkeley and a Master of Arts (MA) degree in Economics from the Graduate School of Arts and Sciences (GSAS) of Columbia University.

**Mr Thanathip Vidhayasirinun**  
**Independent Director**

Mr Vidhayasirinun has been appointed to the Board with effect from 4 August 2016. He has served as the Chairman of the Nominating Committee of the Company and a member of the Audit Committee of the Company since his appointment date. He is a co-founder and chief executive officer of Sage Capital Limited, a private limited company incorporated in Thailand that specialise in financial advisory services. He has extensive experience in all aspects of investment banking including M&A, distressed assets & restructuring, corporate finance and capital markets.

Mr Vidhayasirinun is an independent director of Sino-Thai Engineering & Construction Public Company Limited, a company listed on the Stock Exchange of Thailand.

Mr Vidhayasirinun graduated from Carnegie-Mellon University with a Bachelor of Science (BS) degree majoring in electrical engineering, computer engineering, and industrial management. He received his Master of Business Administration (MBA) degree in finance and Master of Engineering (MEng) degree in electrical engineering from Cornell University.

**Mr Alex Shiu Leung Au**  
**Non-Executive Director**

Mr Au was appointed to the Board on 1 June 2018. He is a member of the Audit Committee as well as the Board Investment Committee of the Company.

Since July 2011, Mr Au is the Chief Financial Officer of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, all public listed companies in Hong Kong. Prior to that, Mr Au was an Executive Director and Company Secretary of Asia Commercial Holdings Limited, a public listed company in Hong Kong.

Mr Au holds a Bachelor of Commerce (Accounting) degree with honours from the University of Birmingham. In addition, he is a Fellow member of Institute of Chartered Accountants in England and Wales as well as a Fellow member of Hong Kong Institute of Certified Public Accountants.

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**Mr Sin Boon Ann**  
**Independent Director**

Mr Sin was appointed to the Board on 1 June 2018. He is the Chairman of the Risk Management Committee as well as a member of the Remuneration Committee of the Company.

Mr Sin is currently a Consultant with Drew & Napier LLC. Prior to that, he was the Deputy Managing Director of the Corporate & Finance Department and the Co-head of the Capital Markets Practice in Drew & Napier LLC for 17 years. Mr Sin is recognized in industry publications as an industry leader and for his expertise in capital markets. He also specializes in corporate finance and mergers and acquisitions. Mr Sin was a Member of Parliament for Tampines GRC from 1996 to 2011. He was conferred the Singapore National Day Award – “The Public Service Star (Bintang Bakti Masyarakat)” in 2018 and “The Public Service Medal (Pingat Bakti Masyarakat)” in 2013 by the President of Singapore and received the NTUC May Day Award – “Distinguished Service Award” in 2018, “Meritorious Service Award” in 2013 and “Friends of Labour Award” in 2003.

Mr Sin is also the lead independent director of several SGX-ST listed companies namely OUE Limited since 25 May 2009, Rex International Holding Limited since 26 June 2013 and HRnetGroup Limited since 16 May 2017 and an independent director of Datapulse Technology Limited since 10 September 2018 and CSE Global Limited (listed on the SGX-ST) since 13 May 2002.

Mr Sin received his Bachelor of Arts and Bachelor of Laws (Honours) degrees from the National University of Singapore and a Master of Laws from the University of London.

**Mr Tan Chade Phang (Roger)**  
**Independent Director**

Mr Tan was appointed as an Independent Director of the Company on 1 June 2018. He is a member of the Risk Management Committee.

Mr Tan is currently the Chief Executive Officer of Voyage Research since 2009. Prior to that, he was an investment analyst with Standard Chartered Bank from 2007 to 2008 and the lead investment analyst in SIAS Research Pte Ltd from 2005 to 2006. Mr Tan has been the president of the Small and Middle Capitalization Companies Association since 2015.

Mr Tan is also the lead independent director of OUE Lippo Healthcare Ltd (listed on the SGX-ST) since January 2017 and Starland Holdings Limited (listed on the SGX-ST) since February 2016. He was formerly an independent director of Transcorp Holdings Limited from May 2017 to February 2018 and an independent director of Dapai International Holdings Co. Ltd. (listed on the SGX-ST) from March 2016 to July 2018.

Mr Tan holds a Bachelor of Business in Accountancy degree and a Master of Finance degree both from RMIT University.



## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### Mr Kin Chan

Date of appointment	1 May 2005
Date of last re-appointment	26 April 2017
Name of Person	Kin Chan
Age	52
Country of principal residence	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>Mr Chan represents a group of major Shareholders i.e. the ASM Group which now still holds above 20% of TIH Limited. Mr Chan is also the Board chair. He is active on the TIH Board and the ASM Group is the co-founder of ASM Connaught House Fund II LP and ASM Connaught House Fund III LP which TIH Investment Management Pte. Ltd. is the investment adviser.</p>
Whether appointment is executive, and if so, area of responsibility	Deemed Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Deemed Executive Director, Chairman of the Board, NC member, Board Investment Committee member
Professional Qualification	<p>(1) MBA from Wharton School of University of Pennsylvania</p> <p>(2) AB from Princeton University</p>
Working experience and occupation(s) during the past 10 years	Argyle Street Management Limited / Managing Director / Fund Management / Partner - 2001 to present
Shareholding interest in TIH Limited and its subsidiaries	<p>Yes</p> <p>If yes, Shareholding Details:</p> <p>Deemed interested in 51,473,500 shares in TIH Limited through bodies corporate which (i) he has controlling interests in/or (ii) which is accustomed to act in accordance with his directions.</p>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, TIH Limited and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Chan is a deemed substantial shareholder of TIH Limited.
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships	<p>Mr. Chan has been the Chief Investment Officer of Argyle Street Management Limited since 2002.</p> <p><b>PAST (FOR THE LAST FIVE YEARS) - Nil</b></p> <p><b>PRESENT - Argyle Street Management Limited (BVI 473834) Date of appointment 19 Feb 2002</b></p>

Any prior experience as a director of a listed company?	Yes. See below for present and past directorships in the last five years.
If yes, please provide details of prior experience.	Non-Executive Director of OUE Limited since 17 March 2010
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Non-Executive Director of CITIC Resources Holdings Limited since 10 March 2017
	Non-Executive Director of The ONE Group Hospitality, Inc. from 17 November 2017 to 29 January 2019
	Non-Executive Director of Mount Gibson Iron Limited from 22 September 2016 to 5 January 2018
	Non-Executive Director of Asia Resource Minerals plc from 1 July 2015 to 24 August 2015
	Non-Executive Director of United Fiber System Limited from 27 May 2011 to 20 April 2015
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable

### Mr Vince Feng

Date of appointment	1 March 2008
Date of last re-appointment	26 April 2017
Name of Person	Vince Feng
Age	46
Country of principal residence	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Nominating Committee together with the Board reviewed Mr Vince Feng's appointment as a TIH director. Mr Feng has been on the TIH Board for about 10 years and has many years of experience in the fund and investment industries and has managed many large fund companies. The Chairman Mr Kin Chan noted that there are not many individuals with experience in the fund industry and it is not easy to persuade such experienced individuals to join the TIH Board. Hence, despite Mr Feng's long term of service, he remains very much independent in his view which is valued by his fellow board members.
Whether appointment is executive, and if so, area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, RC Chairman, AC Member, Board Investment Committee Member



Professional Qualification	(3) PhD degree, Harvard University (4) MBA degree, Stanford University (5) MA degree, Harvard University (6) BA degree, Harvard University
Working experience and occupation(s) during the past 10 years	CEO, Ocean Arete Limited (Hedge Fund) Senior Advisor, General Atlantic LLC (Private Equity)
Shareholding interest in TIH Limited and its subsidiaries	None  If yes, Shareholding Details:
Any relationship (including immediate family relationships) with any existing director, existing executive officer, TIH Limited and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships	
<b>PAST (FOR THE LAST FIVE YEARS) – NIL</b>	
<b>PRESENT</b>	
CEO, Ocean Arete Limited	
Independent Non-executive Director (“ <b>INED</b> ”), Pacific Century Premium Developments Limited (SEHK listed)	
Executive Director (“ <b>ED</b> ”), Arete Macro Fund	
ED, Arete Capital Partners Limited	
ED, Arete Macro Feeder Fund	
ED, Arete Macro US Feeder Fund	
INED, ASM Asia Recovery Fund Cayman Island	
Non-Executive Independent Managing Member, ASM Asia Recovery Fund, LLC Delaware, USA	
INED, ASM Asia Recovery (Master) Fund, Cayman Island	
INED, ASM Hudson River Fund	
Any prior experience as a director of a listed company?	Yes.
If yes, please provide details of prior experience.	Pacific Century Premium Developments Limited (SEHK listed) Data Systems Consulting (TPEX listed)
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Lenovo (SEHK listed) Digital China (SEHK listed) Vimicro (Nasdaq listed)
Please provide details of relevant experience and the nominating committee’s reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Experienced investor with wealth of public and private company experience.

**Ms Li Yick Yee Angie**

Date of appointment	11 August 2006
Date of last re-appointment	27 April 2016
Name of person	Li Yick Yee Angie
Age	45
Country of principal residence	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	
<p>Ms Angie Li represents a group of major Shareholders i.e. the ASM Group which now still holds above 20% of TIH. Ms Li is active on the TIH Board and the ASM Group is the co-founder of ASM Connaught House Fund II LP and ASM Connaught House Fund III LP which TIH Investment Management Pte. Ltd. is the investment adviser.</p>	
Whether appointment is executive, and if so, area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive Director, RC Member
Professional Qualification	BA degree and BS degree, University of California, Berkeley MA degree, Graduate School of Arts and Sciences of Columbia University CFA charterholder
Working experience and occupation(s) during the past 10 years	Argyle Street Management Limited / Fund Manager, Director, Partner / 2002 – present
Shareholding interest in TIH Limited and its subsidiaries	Yes  If yes, Shareholding Details:  Deemed interested in 51,473,500 shares in TIH Limited through bodies corporate which (i) she has controlling interests in/or (ii) which is accustomed to act in accordance with her directions.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, TIH Limited and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Li is a deemed substantial shareholder of TIH Limited.
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships	
<p>Ms Li has been an investment manager of Argyle Street Management Limited since 2002 and became a director of ASM in 2003.</p> <p><b>PAST (FOR THE LAST FIVE YEARS) – NIL</b></p> <p><b>PRESENT - Argyle Street Management Limited (BVI 473834) Date of appointment 20 Mar 2003</b></p>	

Any prior experience as a director of a listed company?	Yes. See below for past directorships.
If yes, please provide details of prior experience.	Non-executive director of Japan Residential Assets Manager Limited, the Manager of the SGX-ST listed Saizen REIT, from 1 September 2010 to 11 October 2013
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Non-executive director of United Fiber System Limited (listed on the SGX-ST) from 6 July 2011 to 21 February 2014
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable.

#### Mr Alex Shiu Leung Au

Date of appointment	1 June 2018
Date of last re-appointment	N.A.
Name of person	Alex Shiu Leung <u>Au</u>
Age	54
Country of principal residence	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	
<p>Since July 2011, Mr Alex Shiu Leung Au is the Chief Financial Officer of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, all publicly listed companies in Hong Kong. Prior to that, Mr Au was an Executive Director and Company Secretary of Asia Commercial Holdings Limited, a public listed company in Hong Kong.</p> <p>Mr Au has a Bachelor of Commerce (Accounting) degree with honours from the University of Birmingham. In addition, he is a Fellow member of the Institute of Chartered Accountants in England and Wales and an Associate member of the Hong Kong Institute of Certified Public Accountants.</p> <p>The Board has reviewed and consider Mr Au to possess the relevant job experience and management skills such that he would make positive and beneficial contribution as a TIH director.</p> <p>In addition, as Mr Au is also a highly qualified and experienced accountant, the Board is of the view that Mr Au will make valuable contribution as an Audit Committee member on the TIH board.</p> <p>The Nominating Committee therefore recommends that Mr Au be appointed as a non-independent and non-executive director of the Company. Pursuant to Article 111 of the Company's Constitution, the Board of Directors has accepted the recommendation and approved the appointment of Mr Au as a non-independent and non-executive director of the Company until the next Annual General Meeting at which Mr Au shall then be eligible for re-election by the shareholders of the Company. On recommendation of the Nominating Committee, Mr Au has also been appointed as a member to the Audit Committee as well as the Risk Management Committee.</p>	
Whether appointment is executive, and if so, area of responsibility	Non-executive

Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive Director, AC Member and Board Investment Committee Member		
Professional Qualification	Bachelor of Commerce (Accounting) degree with honours from the University of Birmingham Fellow member of Institute of Chartered Accountants in England Fellow member of Hong Kong Institute of Certified Public Accountants		
Working experience and occupation(s) during the past 10 years	July 2011 – now Chief financial officer of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, all are public listed companies in Hong Kong  January 2007 – July 2011 Executive director and company secretary of Asia Commercial Holdings Limited, a public listed company in Hong Kong		
Shareholding interest in TIH Limited and its subsidiaries	No If yes, Shareholding Details:		
Any relationship (including immediate family relationships) with any existing director, existing executive officer, TIH Limited and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No		
Conflict of interest (including any competing business)	No		
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes		
Other Principal Commitments including Directorships			
<b>PAST (FOR THE LAST FIVE YEARS)</b>			
<b>Name of Company</b>	<b>Registration No.</b>	<b>Place of Incorporation</b>	<b>Date of Resignation</b>
Waterloo Street Limited	1892007	British Virgin Islands	14 January 2019
Cheertop Investments Limited	1760869	British Virgin Islands	Struck off on 1 November 2018
Superonic Limited	1762583	British Virgin Islands	Struck off on 1 November 2018
Capital Fusion Investments Limited	1729356	British Virgin Islands	Struck off on 1 May 2016
Carltext Investments Limited	1754642	British Virgin Islands	Struck off on 1 November 2015
Connectlink Limited	1693543	British Virgin Islands	Struck off on 1 November 2014
Jivas Pacific Limited	1756358	British Virgin Islands	24 April 2014
Starvex Limited	1708443	British Virgin Islands	Struck off on 1 November 2014

**PRESENT**

<b>Name of Company</b>	<b>Registration No.</b>	<b>Place of Incorporation</b>	<b>Nature of Interest (Executive/ Non-Executive Director/Chairman)</b>	<b>Date of Appointment</b>
Ally Wise Capital Limited	1822424	British Virgin Islands	Non-Executive Director	28 October 2014
Apexwin Limited	602932	British Virgin Islands	Non-Executive Director	29 December 2017
Capital Wave Limited	1865865	British Virgin Islands	Non-Executive Director	21 April 2015
City Rainbow Group Limited	1808598	British Virgin Islands	Non-Executive Director	13 May 2015
Direct Union Limited	1867885	British Virgin Islands	Non-Executive Director	22 May 2015
DXS Capital Limited	1664886	British Virgin Islands	Non-Executive Director	24 August 2018
Fortune Star Asia Limited	2197134	Hong Kong	Non-Executive Director	9 February 2015
Gain Motion International Limited	2272950	Hong Kong	Non-Executive Director	24 August 2015
Gainmate Hong Kong Limited	2647348	Hong Kong	Non-Executive Director	4 May 2018
Gentle Care Pte. Ltd.	201625374Z	Republic of Singapore	Non-Executive Director	16 September 2016
Golden Rain Holdings Limited	1656891	British Virgin Islands	Non-Executive Director	26 May 2015
Golden Sunshine Worldwide Limited	1785971	British Virgin Islands	Non-Executive Director	23 May 2014
Golden Super Holdings Limited	1755261	British Virgin Islands	Non-Executive Director	19 February 2013
Integral Fortress Limited	1918333	British Virgin Islands	Non-Executive Director	21 September 2016
JB Property Holdings Pte Ltd	201712513W	Republic of Singapore	Non-Executive Director	5 May 2017
Kaiser Union Limited	1918369	British Virgin Islands	Non-Executive Director	5 August 2016
Lippo Property Management Limited	1824000	British Virgin Islands	Non-Executive Director	28 May 2014
Oriental Coronet limited	1875153	British Virgin Islands	Non-Executive Director	6 July 2015
Powerful Arch Limited	1903862	British Virgin Islands	Non-Executive Director	14 March 2016
Premier Asia Limited	1913448	British Virgin Islands	Non-Executive Director	2 August 2016
Premium Creation Limited	1886075	British Virgin Islands	Non-Executive Director	21 August 2015

<b>Name of Company</b>	<b>Registration No.</b>	<b>Place of Incorporation</b>	<b>Nature of Interest (Executive/ Non-Executive Director/Chairman)</b>	<b>Date of Appointment</b>
Proton Power Asia Limited	697511	Hong Kong	Non-Executive Director	23 August 2012
Proton Power Pte. Ltd.	201226269H	Republic of Singapore	Non-Executive Director	24 October 2012
Raising Fame Ventures Limited	1976623	British Virgin Islands	Non-Executive Director	27 April 2018
Rebound Power Limited	1816267	British Virgin Islands	Non-Executive Director	23 April 2014
Rickon Holdings Limited	1792867	British Virgin Islands	Non-Executive Director	15 May 2014
Season Spark Limited	1804987	British Virgin Islands	Non-Executive Director	30 June 2014
Serene Yield Limited	1820305	British Virgin Islands	Non-Executive Director	15 May 2014
Sincere Wish Global Limited	1885845	British Virgin Islands	Non-Executive Director	4 September 2015
Starford Corporation Limited	2197149	Hong Kong	Non-Executive Director	19 May 2015
Superfood Retail Limited	2005023	British Virgin Islands	Non-Executive Director	14 March 2019
TIH Limited*	199400941K	Singapore	Non-independent Non-executive Director	1 June 2018
Valiant Leader Limited	1915190	British Virgin Islands	Non-Executive Director	6 September 2016
Worth Choice International Limited	1875157	British Virgin Islands	Non-Executive Director	6 July 2015

#### **PRINCIPAL COMMITMENTS**

<b>Name of Company</b>	<b>Position</b>
1 Lippo Limited (listed on Hong Kong Stock Exchange)	Chief financial officer
2 Lippo China Resources Limited (listed on Hong Kong Stock Exchange)	Chief financial officer
3 Hongkong Chinese Limited (listed on Hong Kong Stock Exchange)	Chief financial officer
Any prior experience as a director of a listed company?	Yes
If yes, please provide details of prior experience.	As an executive director of Asia Commercial Holdings Limited from January 2007 to July 2011, a public listed company in Hong Kong.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Executive director and company secretary of Asia Commercial Holdings Limited from January 2007 to July 2011, a public listed company in Hong Kong.

## Mr Sin Boon Ann

Date of appointment	1 June 2018
Date of last re-appointment	N.A.
Name of Person	<u>Sin</u> Boon Ann
Age	61
Country of principal residence	Singapore
<p>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</p> <p>Mr Sin Boon Ann has in the course of his 30-year career, accumulated immense experience in corporate work and corporate finance. He has held several senior and responsible roles and was until recently a Director of Drew &amp; Napier LLC. He is now a Consultant in Drew &amp; Napier. The Board has evaluated Mr Sin and notes that his relevant professional qualifications and job experience would enhance the management skills of the TIH Board.</p> <p>Mr Sin graduated from the National University of Singapore with an LL.B (Hons). He received his LL.M from the University of London in 1988.</p> <p>As Mr Sin meets the criteria of an Independent Director, the Nominating Committee has recommended to the Board to appoint him as an Independent Director of TIH. Pursuant to Article 111 of the Company's Constitution, the Board of Directors has accepted the recommendation and approved the appointment of Mr Sin as an Independent Director of the Company until the next Annual General Meeting at which Mr Sin shall then be eligible for re-election by the shareholders of the Company. On recommendation of the Nominating Committee, Mr Sin has also been appointed as the Chairman to the Risk Management Committee as well as a member to the Remuneration Committee.</p>	
Whether appointment is executive, and if so, area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Risk Management Committee Chairman, RC member
Professional Qualification	BA, National University of Singapore (1982) LL.B. (Hons), National University of Singapore (1986) LL.M., University of London (1988) Admitted to Singapore Bar (1987)
Working experience and occupation(s) during the past 10 years	1987 – 1988 Senior Tutor, Faculty of Law, NUS  1988 – 1992 Lecturer, Faculty of Law, NUS  1992 – 1994 Senior Legal Assistant, Drew & Napier  1994 – 2001 Partner, Drew & Napier Resident Partner, Hanoi Branch, Drew & Napier (June 1994 – January 1995)

	<p>1996 – 2011 Member of Parliament, Tampines GRC</p> <p>2001 – Mar 2018 Director, Drew &amp; Napier LLC</p> <p>Mar 2018 – todate Consultant, Drew &amp; Napier LLC</p> <p>2016 – todate Deputy Chairman, Tampines Central Branch Second Advisor, Tampines Central GROs</p>		
Shareholding interest in TIH Limited and its subsidiaries	No If yes, Shareholding Details:		
Any relationship (including immediate family relationships) with any existing director, existing executive officer, TIH Limited and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No		
Conflict of interest (including any competing business)	No		
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes		
Other Principal Commitments including Directorships			
<b>PAST (FOR THE LAST FIVE YEARS)</b>			
<b>Name of Company</b>	<b>Company Registration No.</b>	<b>Date of Appointment</b>	<b>Date of Resignation</b>
DrewCorp Services Pte Ltd	200102492H	25/06/2001	31/03/2018
Drew & Napier LLC	200102509E	25/04/2001	19/03/2018
OSIM International Pte. Ltd.	198304191N	01/02/2010	30/08/2016
UT REIT (Pte.) Ltd.	201427922G	19/09/2014	01/04/2015
UT TRUST (Pte.) Ltd.	201427926K	19/09/2014	01/04/2015
Transcorp Holdings Limited*	199502905Z	28/11/2002	11/03/2015
Swee Hong Limited*	198001852R	13/12/2013	14/04/2014
Courage Marine Group Limited* (Incorporated in Bermuda)	36692	24/08/2005	25/02/2014
MFS Technology Ltd*	200009562R	02/08/2001	07/08/2013



<b>PRESENT</b>			
<b>Name of Company</b>	<b>Company Registration No.</b>	<b>Date of Appointment</b>	<b>Position</b>
The Farrer Park Company Limited	200603324C	21/02/2019	Director
Datapulse Technology Limited*	198002677D	10/09/2018	Independent Director
W Capital Markets Pte. Ltd.	201813207E	30/07/2018	Director
TIH Limited*	199400941K	01/06/2018	Independent and Non-Executive Director
At-Sunrice GlobalChef Academy Pte. Ltd.	198200913C	30/11/2017	Director
Esseplore Pte. Ltd.	201717309D	20/06/2017	Director
HRnetGroup Limited*	201625854G	16/05/2017	Lead Independent Director
Singapore Centre for Social Enterprise Ltd. (raiSE)	201504700H	01/04/2015	Board Member
Rex International Holding Limited*	201301242M	26/06/2013	Lead Independent Director
SE Hub Ltd.	201107695W	16/05/2011	Director
OUE Limited*	196400050E	25/05/2009	Lead Independent Director
Tampines Central Community Foundation Limited	200612829K	01/09/2006	Director
CSE Global Limited*	198703851D	13/05/2002	Independent Director
* Listed Company			
Any prior experience as a director of a listed company?	Yes. See below for present directorship (as at 22/02/2019):-		
If yes, please provide details of prior experience.	<b>Company (Registration No.)</b>	<b>Date of Appointment</b>	<b>Position</b>
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Datapulse Technology Limited (198002677D)	10/09/2018	Independent Director
	HRnetGroup Limited (201625854G)	16/05/2017	Lead Independent Director
	Rex International Holding Limited (201301242M)	26/06/2013	Lead Independent Director
	OUE Limited (196400050E)	25/05/2009	Lead Independent Director
	CSE Global Limited (198703851D)	13/05/2002	Independent Director
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.		

**Mr Tan Chade Phang (Roger)**

Date of appointment	1 June 2018
Date of last re-appointment	N.A.
Name of person	Tan Chade Phang (Roger)
Age	43
Country of principal residence	Singapore
<p>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</p> <p>Upon the recommendation of the Nominating Committee, which had reviewed the qualifications and experience of Mr Tan Chade Phang (Roger), the Board has appraised Mr Tan and found him to be capable of performing high level corporate and business analysis besides having the necessary job experience and management skills that meets the needs of an Independent Director of the Company.</p> <p>Besides being an experienced Independent Director of listed companies in Singapore, Mr Roger Tan is the CEO of Voyage Research Pte Ltd (previously known as SIAS Research). Prior to that, Mr Tan worked as an Investment Analyst in the Standard Chartered Bank.</p> <p>Mr Tan graduated with a Master of Finance from RMIT University in 2002. He also has a Bachelor of Business in Accountancy from the same university.</p> <p>As Mr Tan meets the criteria of an Independent Director, the Nominating Committee has recommended to the Board to appoint him as an Independent Director of TIH. Pursuant to Article 111 of the Company's Constitution, the Board of Directors has accepted the recommendation and approved the appointment of Mr Tan as an Independent Director of the Company until the next Annual General Meeting at which Mr Tan shall then be eligible for re-election by the shareholders of the Company. On recommendation of the Nominating Committee, Mr Tan has also been appointed as a member to the Risk Management Committee.</p>	
Whether appointment is executive, and if so, area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director
Professional Qualification	Masters of Finance Bachelor of Business in Accountancy
Working experience and occupation(s) during the past 10 years	<p>May 2017 to Feb 2018 Independent Director (NC Chairman), Transcorp Holdings Limited</p> <p>Jan 2017 to Present Independent Director (Lead ID and NRC Chairman), OUE LIPPO Healthcare Limited</p> <p>Mar 2016 to July 2018 Independent Director (AC Chairman), Dapai International Holdings Co. Ltd.</p> <p>Feb 2016 to Present Independent Director (RC Chairman), Starland Holdings Limited</p>

	<p>Nov 2015 to Present President, Small and Middle Capitalization Company Association</p> <p>Jan 2009 to Present CEO, Voyage Research Pte Ltd (Previously known as SIAS Research)</p> <p>Jan 2007 to Dec 2008 Investment Analyst, Standard Chartered Bank</p> <p>Aug 2005 to Dec 2006 Lead Investment Analyst, SIAS Research Pte Ltd</p>	
Shareholding interest in TIH Limited and its subsidiaries	No If yes, Shareholding Details:	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, TIH Limited and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	
Conflict of interest (including any competing business)	No	
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	
Other Principal Commitments including Directorships		
<b>PAST (FOR THE LAST FIVE YEARS)</b>		
<b>Directorship</b>	<b>Company</b>	<b>Remarks</b>
Independent Director	Transcorp Holdings Limited	Listed: SGX
Independent Director	Dapai International Holdings Co. Ltd.	Listed: SGX
Director	Bodhi Tree Network Pte Ltd	Not listed
<b>PRESENT</b>		
<b>Directorship</b>	<b>Company</b>	<b>Remarks</b>
Independent Director	Starland Holdings Limited	Listed: SGX
Independent Director	OUE Lippo Healthcare Limited	Listed: SGX
Director/CEO	Voyage Research Pte Ltd	Not Listed
President	Small and Middle Capitalisation Companies Association	Association

<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p>	<p>Yes.</p> <p>May 2017 to Feb 2018 Independent Director (NC Chairman), Transcorp Holdings Limited</p> <p>Jan 2017 to Present Independent Director (Lead ID and NRC Chairman), OUE LIPPO Healthcare Limited</p> <p>Mar 2016 to July 2018 Independent Director (AC Chairman), Dapai International Holdings Co. Ltd</p> <p>Feb 2016 to Present Independent Director (RC Chairman), Starland Holdings Limited</p>
<p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>N.A.</p>

	<b>Disclosures pursuant to Listing Rule 720(6)</b>	<b>Kin Chan</b>	<b>Vince Feng</b>	<b>Li Yick Yee Angie</b>	<b>Alex Shiu Leung Au</b>	<b>Sin Boon Ann</b>	<b>Tan Chade Phang (Roger)</b>
(a)	Did you at any time during the last 10 years, have an application or petition under any bankruptcy law of any jurisdiction filed against you or against a partnership of which you were a partner at the time when you were a partner or at any time within two years from the date you ceased to be a partner?	No	No	No	No	No	No
(b)	Did you at any time during the last 10 years, have an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which you were a director or an equivalent person or a key executive at the time when you were a director or an equivalent person or a key executive of that entity or at any time within two years from the date you ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No	No
(c)	Are there any unsatisfied judgments outstanding against you?	No	No	No	No	No	No
(d)	Have you ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings which you are aware of) for such purpose?	No	No	No	No	No	No
(e)	Have you at any time ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings which you are aware of) for such breach?	No	No	No	No	No	No
(f)	Have you, at any time during the last 10 years, received judgment against you in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on your part, or been the subject of any civil proceedings (including any pending civil proceedings which you are aware of) involving an allegation of fraud, misrepresentation or dishonesty on your part?	No	No	No	No	No	No

	<b>Disclosures pursuant to Listing Rule 720(6)</b>	<b>Kin Chan</b>	<b>Vince Feng</b>	<b>Li Yick Yee Angie</b>	<b>Alex Shiu Leung Au</b>	<b>Sin Boon Ann</b>	<b>Tan Chade Phang (Roger)</b>
(g)	Have you ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No	No
(h)	Have you ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No	No
(i)	Have you ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining you from engaging in any type of business practice or activity?	No	No	No	No	No	No
(j)	Have you ever, to your knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:						
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;	No	No	No	No	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirements governing such entities in Singapore or elsewhere;	None which is known which can be lawfully disclosed.	No	None which is known which can be lawfully disclosed.	No	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	None which is known which can be lawfully disclosed.	No	None which is known which can be lawfully disclosed.	No	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	None which is known which can be lawfully disclosed.	No	None which is known which can be lawfully disclosed.	No	No	No
	in connection with any matter occurring or arising during that period when you were so concerned with the entity or business trust?	No	No	No	No	No	Yes <sup>(3)</sup>

	<b>Disclosures pursuant to Listing Rule 720(6)</b>	<b>Kin Chan</b>	<b>Vince Feng</b>	<b>Li Yick Yee Angie</b>	<b>Alex Shiu Leung Au</b>	<b>Sin Boon Ann</b>	<b>Tan Chade Phang (Roger)</b>
(k)	Have you been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes <sup>(1)</sup>	No	Yes <sup>(2)</sup>	No	No	No

**Notes:**

- (1) The Monetary Authority of Singapore (MAS) issued a supervisory warning letter to Mr Kin Chan on 15 March 2016 in relation to a contravention of Section 83 of the Companies Act (Cap.50) and Section 137 of the Securities and Futures Act (Cap. 289) due to a failure to notify a listed company and SGX-ST within the legally stipulated time frame of change in his interest in the voting shares of the listed company. The MAS and the ACRA did not take further regulatory action in respect of the breach.
- (2) The Monetary Authority of Singapore (MAS) issued a supervisory warning letter to Ms Li Yick Yee Angie on 15 March 2016 in relation to a contravention of Section 83 of the Companies Act (Cap.50) and Section 137 of the Securities and Futures Act (Cap. 289) due to a failure to notify a listed company and SGX-ST within the legally stipulated time frame of change in her interest in the voting shares of the listed company. The MAS and the ACRA did not take further regulatory action in respect of the breach.
- (3) Mr Tan Chade Phang (Roger) was appointed as an independent director of Dapai International Holdings Co., Ltd. in March 2016 and was subsequently appointed as Audit Committee Chairman to oversee the agreed upon procedures (conducted by BDO) and special audit (conducted by KordaMentha) with consultation with SGX on matters prior to my appointment. The findings of the special audit report was released on SGXNET on 7 July 2017.

# *Sustainability Report*

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TIH Limited (“TIH”) is pleased to present to you with its sustainability report for FY2018 (this “Sustainability Report”). As TIH does not have any employees as the management of TIH is contracted out to TIH Investment Management Pte. Ltd. (the “Investment Manager”), this Sustainability Report will also cover the Investment Manager’s operations because of the significant role it plays in TIH’s business. As part of TIH’s phased implementation approach to sustainability reporting, this Sustainability Report will develop on the sustainability report for FY2017 (the “FY2017 Sustainability Report”).

## **Board Statement**

The Board of Directors of TIH (“Board”), being responsible for the strategic direction of TIH, continues to remain aware of the importance in the integration of environmental, social and governance (“ESG”) considerations in TIH’s strategic planning. The Board continues to consider sustainability issues as part of its strategic formulation, determine the material ESG factors and oversee the management and monitoring of the material ESG factors as set out in the FY 2017 Sustainability Report and this Sustainability Report.

## **Sustainability Reporting Framework**

In line with the FY2017 Sustainability Report, this Sustainability Report has been prepared with reference to selected Global Reporting Initiative Standards (“GRI Standards”). This Sustainability Report also continues to reference (1) Disclosures 103-1 and 103-2 from GRI 103: Management Approach; (2) Disclosures 401-1 and 401-3 from GRI 401 Employment; and (3) Disclosure 418-1 from GRI 418: Customer Privacy. Please note that this Sustainability Report has not been externally assured.

TIH has again selected the GRI Standards as the framework enables reporting on specific economic, environmental and social issues that are most relevant to its business and continues to be a globally-recognised framework for sustainability reporting.

## **Material ESG Factors**

To determine the material ESG factors, TIH has again applied the step-by-step guidance (Identify – Rate – Prioritise – Validate) suggested in the SGX’s practice note on sustainability reporting.

### **Identification**

The process began by identifying the entire spectrum of material ESG factors that are important to TIH. The following 8 material ESG factors were identified in the FY 2017 Sustainability Report and have again been identified for this Sustainability Report: (1) Anti-Money Laundering and Counter-Financing of Terrorism, (2) Customer Privacy, (3) Diversity and Equal Opportunity, (4) Employment, (5) Environmental Compliance, (6) Labour Management Relations, (7) Training and Education and (8) Water.

### **Rating and Prioritisation**

Bearing in mind that TIH’s principal activity is to invest, for capital appreciation in companies located in Asia, the material ESG factors were then rated and prioritised, and narrowed down to the following 3 in this Sustainability Report (as was the case for the FY2017 Sustainability Report): (1) Anti-Money Laundering and Counter-Financing of Terrorism, (2) Customer Privacy and (3) Employment.



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## **Validation**

After rating and prioritising the material ESG factors, a final review meeting involving the Board and the senior management of the Investment Manager was conducted. The Board and the senior management of the Investment Manager then signed off on the 3 material ESG factors. The Board and the senior management of the Investment Manager continue to view the abovementioned factors as material and have not identified any additional material factors.

## **Policies, Practices and Performance**

### **(1) Anti- Money Laundering and Counter-Financing of Terrorism**

TIH and the Investment Manager have again identified anti-money laundering and counter-financing of terrorism as a material ESG factor because of the potential impacts to the global community if their responsibilities are neglected. Money laundering and terrorism have severe direct and indirect consequences such as the loss of human life. Whether it is the initial screening and review process before an official business relationship is established with the client, during the investment phase or the divestment phase, the Investment Manager will ensure compliance with the relevant anti-money laundering and counter-financing of terrorism laws and regulations. As addressed in the Corporate Governance Report and the FY2017 Sustainability Report, the Investment Manager has adopted an Internal Control and Compliance Manual (“ICCM”) which all employees of the Investment Manager are required to adhere to. The ICCM includes anti-money laundering assessment forms which must be satisfactorily completed before any client or moneys are on boarded or before any investment or divestment is made. The ICCM is continually updated to keep up with regulatory changes and the anti-money laundering assessment forms were in fact updated during this FY2018. The Investment Manager continues to conduct internal trainings on the ICCM for all employees. Where relevant, the Investment Manager will engage external service providers to conduct such trainings.

### **(2) Customer Privacy**

TIH and the Investment Manager have again identified customer privacy as a material ESG factor because they view their responsibility in ensuring the privacy and confidentiality of their customers’ information as a key aspect of good corporate governance. TIH and the Investment Manager conform to Singapore’s Personal Data Protection Act which protects customers’ personal data and privacy. In addition, the Investment Manager sets out its internal policies and procedures on data protection in the ICCM. All employees are guided by the ICCM and the Investment Manager will administer strict disciplinary action for any breach of customer confidentiality. TIH and the Investment Manager also do not divulge or sell personal information to third parties for marketing or promotional purposes. For both FY2017 and FY2018, TIH and the Investment Manager have had no substantiated complaints regarding breaches of customer privacy and loss of customer data.

### **(3) Employment**

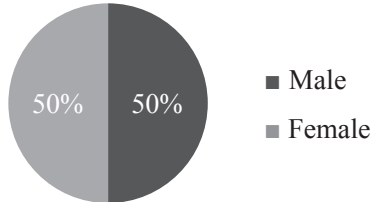
TIH and the Investment Manager have again identified employment as a material ESG factor because they recognise the crucial role that the employees of the Investment Manager play in the success of TIH. In the identification, management and divestment of any investments, the employees in the investment management team play a key role. Similarly, the administration and finance teams play an important role in ensuring that the day-to-day operations of the Investment Manager run smoothly. Likewise, the corporate secretarial and compliance teams ensure that the Investment Manager is always in compliance with all relevant laws and regulations.

Accordingly, talent attraction and employee retention are priorities for the Investment Manager. The Investment Manager is always on the look-out for new talent and also looks to keep employees happy and motivated. Senior management of the Investment Manager conducts regular performance and career development reviews and has in place an “open-door” policy for all its employees.

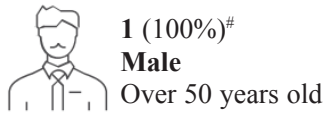
Workforce

As at FY2018, the Investment Manager has 14 employees.

*Employee distribution by gender*



*Total number and rate of new employee hires:*



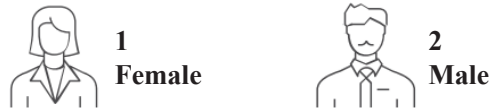
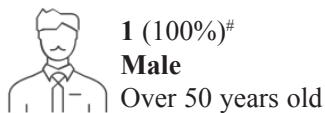
*Total number of employees who returned to work after parental leave ended:*



# Refers to the rate (%) of total number of male new hires/total number of new hires

*Total number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work:*

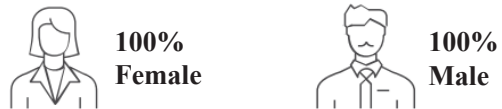
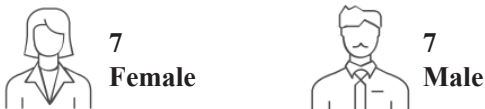
*Total number and rate of employee turnover:*



# Refers to the rate (%) of total number of male employee turnover/total number of employee turnover

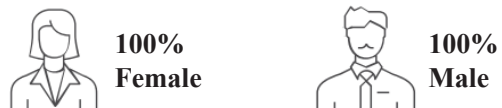
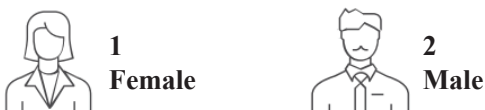
*Return to work rate of employees who took parental leave:*

*Total number of employees entitled to parental leave:*



*Retention rate of employees who took parental leave:*

*Total number of employees that took parental leave:*



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## **Targets**

### **(1) Anti-Money Laundering and Counter-Financing of Terrorism**

For FY2017, a training session on the ICCM was conducted on 2 November 2017. For FY2018, a training session on the ICCM was conducted for employees on 15 January 2019. In both the near term and long term, TIH and the Investment Manager aim to continue to conduct yearly refresher training sessions on the ICCM for all employees.

### **(2) Customer Privacy**

For FY2017 and FY2018, TIH and the Investment Manager had no substantiated complaints regarding breaches of customer privacy and loss of customer data. In both the near term and long term, TIH and the Investment Manager aim to continue to have no substantiated complaints regarding breaches of customer privacy and loss of customer data.

### **(3) Employment**

Annual performance and career development reviews were conducted for all employees during FY2017 and FY2018. In both the near term and long term, TIH and the Investment Manager aim to continue to conduct annual performance and career development reviews for all employees.

## Shareholding Statistics

### STATISTICS OF SHAREHOLDINGS AS AT 6 MARCH 2019

#### DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	113	2.43	3,955	0.00
100 - 1,000	159	3.42	107,199	0.04
1,001 - 10,000	3,374	72.61	10,994,958	4.55
10,001 - 1,000,000	992	21.35	39,336,347	16.28
1,000,001 AND ABOVE	9	0.19	191,243,179	79.13
<b>TOTAL</b>	<b>4,647</b>	<b>100.00</b>	<b>241,685,638</b>	<b>100.00</b>

#### TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	98,683,535	40.83
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	51,537,393	21.32
3	TRANSPAC INVESTMENTS LIMITED	24,576,126	10.17
4	DBS NOMINEES (PRIVATE) LIMITED	7,138,961	2.95
5	UOB KAY HIAN PRIVATE LIMITED	2,810,099	1.16
6	PHILLIP SECURITIES PTE LTD	2,585,129	1.07
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,445,517	0.60
8	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,279,419	0.53
9	LIM KIM PHANG	1,187,000	0.49
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	983,200	0.41
11	SCS TRUST PTE LTD	737,000	0.30
12	RAFFLES NOMINEES (PTE.) LIMITED	719,856	0.30
13	TAN MUI HUANG	669,300	0.28
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	627,441	0.26
15	SZE SEE YEE OR ANG SEOK MOEY	550,000	0.23
16	PRIMA INVESTMENT HOLDINGS (SINGAPORE) PTE LTD	546,666	0.23
17	LEE MEE ING	520,800	0.22
18	PEH KOK WAH @ PEH WAH CHYE	515,400	0.21
19	TAN MEE YIA @ TAN MIEN ANN	400,000	0.17
20	LIM CHER KHIANG	372,119	0.15
	<b>TOTAL</b>	<b>197,884,961</b>	<b>81.88</b>

## SUBSTANTIAL SHAREHOLDERS AS AT 6 MARCH 2019

(as shown in the Company's Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares Held			
	Direct Interest	Percentage (%) of Shareholding <sup>1</sup>	Deemed Interest	Percentage (%) of Shareholding <sup>1</sup>
Kaiser Union Limited <sup>2</sup>	–	–	96,473,203	39.9
Premier Asia Limited <sup>3</sup>	–	–	96,473,203	39.9
Tamsett Holdings Limited <sup>4</sup>	–	–	96,473,203	39.9
Rickon Holdings Limited <sup>5</sup>	–	–	96,473,203	39.9
Lippo China Resources Limited <sup>6</sup>	–	–	96,473,203	39.9
Skyscraper Realty Limited <sup>7</sup>	–	–	96,473,203	39.9
First Tower Corporation <sup>8</sup>	–	–	96,473,203	39.9
Lippo Limited <sup>9</sup>	–	–	96,473,203	39.9
Lippo Capital Limited <sup>10</sup>	–	–	96,473,203	39.9
Lippo Capital Holdings Company Limited <sup>11</sup>	–	–	96,473,203	39.9
Lippo Capital Group Limited <sup>12</sup>	–	–	96,473,203	39.9
Dr Stephen Riady <sup>13</sup>	–	–	96,473,203	39.9
PT Trijaya Utama Mandiri <sup>14</sup>	–	–	96,473,203	39.9
James Tjahaja Riady <sup>15</sup>	–	–	96,473,203	39.9
Alexandra Road Limited <sup>16</sup>	–	–	51,473,500	21.3
ASM Ventures Limited <sup>17</sup>	–	–	51,473,500	21.3
ASM Asia Recovery (Master) Fund <sup>18</sup>	–	–	51,473,500	21.3
ASM Asia Recovery Fund <sup>19</sup>	–	–	51,473,500	21.3
ASM Hudson River Fund <sup>20</sup>	–	–	51,473,500	21.3
Argyle Street Management Limited <sup>21</sup>	–	–	51,473,500	21.3
Argyle Street Management Holdings Limited <sup>22</sup>	–	–	51,473,500	21.3
Kin Chan <sup>23</sup>	–	–	51,473,500	21.3
V-Nee Yeh <sup>23</sup>	–	–	51,473,500	21.3
Li Yick Yee Angie <sup>23</sup>	–	–	51,473,500	21.3
Transpac Investments Limited	24,576,126	10.17	–	–
Bastion Associates Limited <sup>24</sup>	–	–	24,576,126	10.17
Techno-Ventures Hong Kong Limited <sup>25</sup>	–	–	24,576,126	10.17
Leong Ho Gong Cliff <sup>26</sup>	–	–	24,576,126	10.17

### Notes:

- Percentage computed is based on 241,685,638 shares in issue as at 6 March 2019. As at 31 December 2018, the number of shares in issue was also 241,685,638.
- Kaiser Union Limited (“KUL”) holds 96,473,203 TIH shares registered in the name of its custodian, Citibank Nominees Singapore Private Limited.
- Premier Asia Limited (“PAL”) is the direct holding company of KUL.
- Tamsett Holdings Limited (“THL”) is the direct holding company of PAL and an indirect holding company of KUL.
- Rickon Holdings Limited (“RHL”) is the direct holding company of THL and an indirect holding company of KUL.
- Lippo China Resources Limited (“LCR”) is the direct holding company of RHL and an indirect holding company of KUL.
- Skyscraper Realty Limited (“SRL”) is the direct holding company of LCR and an indirect holding company of KUL.

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- 8 First Tower Corporation (“FTC”) is the direct holding company of SRL and an indirect holding company of KUL.
- 9 Lippo Limited is the direct holding company of FTC and an indirect holding company of KUL.
- 10 Lippo Capital Limited is the direct holding company of Lippo Limited and an indirect holding company of KUL.
- 11 Lippo Capital Holdings Company Limited is the direct holding company of Lippo Capital Limited and an indirect holding company of KUL.
- 12 Lippo Capital Group Limited is the direct holding company of Lippo Capital Holdings Company Limited and an indirect holding company of KUL.
- 13 Dr Stephen Riady holds all the shares in Lippo Capital Group Limited, which is an indirect holding company of KUL.
- 14 PT Trijaya Utama Mandiri holds not less than 20% of the shares in Lippo Capital Limited, which is an indirect holding company of KUL.
- 15 Mr James Tjahaja Riady holds, through PT Trijaya Utama Mandiri, not less than 20% of the shares in Lippo Capital Limited, which is an indirect holding company of KUL.
- 16 Alexandra Road Limited (“ARL”) holds 51,473,500 TIH shares in the name of its nominee, CGS-CIMB Securities (Singapore) Pte. Ltd..
- 17 ASM Ventures Limited (“ASMVL”) is deemed interested in all the TIH shares held by ARL as it is a 20% or more holder of the shares in ARL.
- 18 ASM Asia Recovery (Master) Fund (“ASMARMF”) is deemed interested in all the TIH shares held by ARL as it is a 20% or more holder of the shares in ARL.
- 19 ASM Asia Recovery Fund is deemed interested in all the TIH shares held by ARL as it is a 20% or more holder of the shares in ASMARMF which in turn holds 20% or more of the shares in ARL.
- 20 ASM Hudson River Fund is deemed interested in all the TIH shares held by ARL as it is a 20% or more holder of the shares in ASMVL which in turn holds 20% or more of the shares in ARL.
- 21 Argyle Street Management Limited (“ASML”) is deemed interested in all the TIH shares held by ARL as it has the ability to exercise or control the exercise of rights attached to all the TIH shares held by ARL.
- 22 Argyle Street Management Holdings Limited is deemed interested in all the TIH shares owned by ARL as it is the holding company of ASML.
- 23 Messrs Kin Chan, V-Nee Yeh and Angie Li are deemed substantial shareholders through bodies corporate which (i) they have controlling interests in/or (ii) which are accustomed to act in accordance with their directions.
- 24 Bastion Associates Limited (“Bastion”) is deemed interested in the 24,576,126 TIH shares held by Transpac Investments Limited (“TIL”) as it owns 71% of TIL.
- 25 Techno-Ventures Hong Kong Limited (“TVHK”) is deemed interested in the 24,576,126 TIH shares held by TIL as it owns 29% of TIL.
- 26 Mr Leong Ho Gong Cliff is deemed interested in the 24,576,126 TIH shares held by TIL as he owns 100% of Bastion and is deemed to hold 100% of TVHK; both companies in turn own 71% and 29% of TIL respectively.

## PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Base on the information available to the Company as at 6 March 2019, approximately 28.06% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

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**DIRECTORS' SHAREHOLDINGS AS AT 21 JANUARY 2019**

(as shown in the Company's Register of Directors' Shareholdings)

<b>Name of Director</b>	<b>Description of Shares</b>	<b>No. of Shares Registered in Name of Director or Nominee</b>	<b>Shareholdings in which Director is deemed to have an interest</b>
Kin Chan	Ordinary Shares	–	51,473,500
Li Yick Yee Angie	Ordinary Shares	–	51,473,500
Wang Ya Lun Allen	Ordinary Shares	1,329,900	–

**Note:**

- 1 Mr Kin Chan and Ms Angie Li are deemed interested through bodies corporate which (i) they have controlling interests in/or (ii) which are accustomed to act in accordance with their directions.

## *Notice of Twenty-Fifth Annual General Meeting*

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NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of TIH Limited (the “Company”) will be held at Concorde 2, 3rd Level Concorde Hotel Singapore, 100 Orchard Road, Singapore 238840 on the 24th day of April 2019 at 10.00 a.m. for the following businesses:

### **ORDINARY BUSINESS**

1. To receive and adopt the Directors’ Report and the Audited Accounts for the financial year ended 31 December 2018, together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a final tax-exempt one-tier ordinary dividend of S\$0.01 per share for the financial year ended 31 December 2018. **(Resolution 2)**
3. To re-elect the following Directors, who are retiring by rotation pursuant to Article 107 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
  - (i) Mr Kin Chan **(Resolution 3)**
  - (ii) Mr Vince Feng **(Resolution 4)**
  - (iii) Ms Li Yick Yee Angie **(Resolution 5)**

*[See Explanatory Notes]*
4. To re-elect the following Directors, who are retiring pursuant to Article 111 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
  - (i) Mr Alex Shiu Leung Au **(Resolution 6)**
  - (ii) Mr Sin Boon Ann **(Resolution 7)**
  - (iii) Mr Tan Chade Phang (Roger) **(Resolution 8)**

*[See Explanatory Notes]*
5. To approve the sum of S\$357,025 as Directors’ fees for the financial year ended 31 December 2018. **(Resolution 9)**
6. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

### **SPECIAL BUSINESS**

To consider and if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:

7. Authority to allot and issue Shares under the TIH Limited Scrip Dividend Scheme **(Resolution 11)**

“That, pursuant to Section 161 of the Companies Act, Cap. 50 (“Companies Act”), authority be and is hereby given to the Directors of the Company (“Directors”) to allot and issue from time to time such number of shares in the capital of the Company (“Shares”) as may be required to be allotted and issued pursuant to the TIH Limited Scrip Dividend Scheme.”

*[See Explanatory Notes]*



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8. Authority to allot and issue Shares

(Resolution 12)

“That, pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors to:

- (a) (i) issue Shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that :

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued Shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued Shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares excluding treasury shares that may be issued under sub-paragraph (1) above, the total number of issued Shares excluding treasury shares shall be based on the total number of issued Shares excluding treasury shares at the time this Resolution is passed after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

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- (4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

*[See Explanatory Notes]*

9. The Proposed Renewal of the Interested Person Transactions Mandate

**(Resolution 13)**

“That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”), for the Company, its subsidiaries and its associated companies which are entities at risk as defined under Chapter 9, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company’s letter to shareholders dated 2 April 2019 (the “**Appendix**”), with any person who falls within the classes of interested persons described in the Appendix, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for interested person transactions as set out in the Appendix (the “**IPT Mandate**”);
- (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company;
- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and
- (d) the Independent Directors for the purpose of the IPT Mandate be and are authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.”

*[See Explanatory Notes]*

10. To transact any other business that may be transacted at an annual general meeting.

**BY ORDER OF THE BOARD**

**Tham Shook Han**  
Company Secretary  
2 April 2019

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## Explanatory Notes:

- (Resolution 3) Mr Kin Chan, will upon re-election as a Director of the Company, remain as a deemed executive Director of the Company, the Chairman of the Board as well as a member of the Nominating Committee. He will also remain as a member of the Board Investment Committee.

Key information on Mr Chan can be found on pages 95, 99 to 100 and 113 to 115 of the Annual Report 2018. Mr Chan is a director of ASM Asia Recovery (Master) Fund (“ASM”), a deemed substantial shareholder of TIH. ASM is (approximately) 90% owned by ASM Asia Recovery Fund and managed by Argyle Street Management Limited. Mr Chan is also a non-executive director of OUE Limited (listed on the SGX-ST) since 17 March 2010 and CITIC Resources Holdings Limited (listed on Hong Kong Stock Exchange) since 10 March 2017.

- (Resolution 4) Mr Vince Feng, will upon re-election as a Director of the Company, remain as an independent Director of the Company, the Chairman of the Remuneration Committee as well as a member of the Audit Committee. He will also remain as a member of the Board Investment Committee.

Key information on Mr Feng can be found on pages 96, 100 to 101 and 113 to 115 of the Annual Report 2018. Mr Feng does not have (i) any relationships including family relationships with any of the Directors of the Company, the Company or its 10% shareholders. He is also an independent non-executive director of Pacific Century Premium Developments Limited, which is listed on Hong Kong Stock Exchange, since 16 March 2018.

- (Resolution 5) Ms Li Yick Yee Angie, will upon re-election as a Director of the Company, remain as a non-executive Director of the Company and she will also continue to be a member of the Remuneration Committee as well as the Board Investment Committee.

Key information on Ms Li can be found on pages 97, 102 to 103 and 113 to 115 of the Annual Report 2018. Ms Li is a director of ASM Asia Recovery (Master) Fund (“ASM”), a deemed substantial shareholder of TIH. ASM is (approximately) 90% owned by ASM Asia Recovery Fund and managed by Argyle Street Management Limited. Ms Li does not have any directorships in other listed companies.

- (Resolution 6) Mr Alex Shiu Leung Au, will upon re-election as a Director of the Company, remain as a non-executive Director of the Company and he will also continue to be a member of the Audit Committee as well as the Board Investment Committee.

Key information on Mr Au can be found on pages 97, 103 to 106 and 113 to 115 of the Annual Report 2018. Since July 2011, Mr Au is the Chief Financial Officer of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, all public listed companies in Hong Kong. Lippo Limited and Lippo China Resources Limited are deemed substantial shareholders of TIH. Mr Au does not have any directorships in other listed companies.

- (Resolution 7) Mr Sin Boon Ann, will upon re-election as a Director of the Company, remain as an independent Director of the Company, the Chairman of the Risk Management Committee as well as a member of the Remuneration Committee.

Key information on Mr Sin can be found on pages 98, 107 to 109 and 113 to 115 of the Annual Report 2018. Mr Sin does not have (i) any relationships including family relationships with any of the Directors of the Company, the Company or its 10% shareholders. Mr Sin is also the lead independent director of several SGX-ST listed companies namely OUE Limited since 25 May 2009, Rex International Holding Limited since 26 June 2013 and HRnetGroup Limited since 16 May 2017 and an independent director of Datapulse Technology Limited since 10 September 2018 and CSE Global Limited (listed on the SGX-ST) since 13 May 2002.

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(Resolution 8) Mr Tan Chade Phang (Roger), will upon re-election as a Director of the Company, remain as an independent Director of the Company.

Key information on Mr Tan can be found on pages 98 and 110 to 115 of the Annual Report 2018. Mr Tan does not have (i) any relationships including family relationships with any of the Directors of the Company, the Company or its 10% shareholders. Mr Tan is also the lead independent director of OUE Lippo Healthcare Ltd (listed on the SGX-ST) since January 2017 and Starland Holdings Limited (listed on the SGX-ST) since February 2016.

(Resolution 11) The TIH Limited Scrip Dividend Scheme (“Scrip Dividend Scheme”) was approved by shareholders of the Company (“Shareholders”) at the extraordinary general meeting of the Company held on 26 April 2007. The proposed Resolution 11, if passed, will empower the Directors to allot and issue Shares in the Company pursuant to the Scrip Dividend Scheme to eligible Shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

(Resolution 12) The Ordinary Resolution 12, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue Shares and convertible securities in the Company. The number of Shares and convertible securities that the Directors may allot and issue under this Resolution would not exceed fifty per centum (50%) of the issued Shares in the Company at the time of the passing of this Resolution. For issue of Shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed twenty per centum (20%) of the issued Shares in the Company at the time of the passing of this Resolution.

For the purpose of this Resolution, the percentage of issued Shares is based on the Company’s issued Shares at the time this proposed Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue or consolidation or subdivision of Shares.

(Resolution 13) The Ordinary Resolution 13, if passed, will renew the IPT Mandate to enable the Company, its subsidiaries and associated companies which are entities at risk as defined under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company’s letter to shareholders dated 2 April 2019. The authority under the renewed IPT Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier.

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**Notes:**

1. (a) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. Where such member's instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.  
  
(b) Where a member of the Company is a relevant intermediary as defined in Section 181 of the Companies Act, the member is entitled to appoint more than two proxies to exercise all or any of his rights to attend and to speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by him (which number and class of Shares shall be specified).  
  
(c) A proxy need not be a member of the Company.
2. The instrument of proxy shall be under the hand of the Member, or by its attorney duly authorized in writing, or if the Member is a corporation, under seal or under the hand of its attorney duly authorized in writing. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the Member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), shall be attached to the instrument of proxy.
3. A body corporate which is a member may also appoint by resolution of its directors or other governing body, such person as it thinks fit to act as its authorized representative in accordance with its constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.
4. The instrument appointing a proxy or proxies, (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 137 Telok Ayer Street #03-07 Singapore 068602 **not less than 72 hours** before the time appointed for holding the meeting.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or its service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or its service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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# TIH LIMITED

(Incorporated in the Republic of Singapore)  
(Unique Entity Number: 199400941K)

## IMPORTANT

1. For investors who have used their CPF/SRS money to buy shares in the capital of TIH Limited, this Report is forwarded to them at the request of their CPF/SRS Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
4. By submitting an instrument appointing a proxy(ies) and or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

## PROXY FORM

\*I/We \_\_\_\_\_ NRIC/Passport/Unique Entity No. \_\_\_\_\_ of

(Address)

being a member/members of **TIH Limited** (the “Company”) hereby appoint(s):

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

or failing which, the Chairman of the annual general meeting, as \*my/our proxy/proxies to vote for \*me/us on \*my/our behalf and, if necessary, to demand a poll at the Twenty-Fifth Annual General Meeting of the Company to be held at Concorde 2, 3rd Level Concorde Hotel Singapore, 100 Orchard Road, Singapore 238840 on the 24th day of April 2019 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Twenty-Fifth Annual General Meeting. In the absence of specific directions, the \*proxy/proxies will vote or abstain as \*he/she/they may in his/her/their discretion think(s) fit, on any matter arising at the Twenty-Fifth Annual General Meeting.)

No.	Resolutions	For	Against
1.	To receive and adopt the Directors’ Report and the Audited Accounts for the financial year ended 31 December 2018, together with the Auditors’ Report thereon.		
2.	To declare a final tax-exempt one-tier ordinary dividend of S\$0.01 per share for the financial year ended 31 December 2018.		
3.	To re-elect Mr Kin Chan as Director under Article 107.		
4.	To re-elect Mr Vince Feng as Director under Article 107.		
5.	To re-elect Ms Li Yick Yee Angie as Director under Article 107.		
6.	To re-elect Mr Alex Shiu Leung Au as Director under Article 111.		
7.	To re-elect Mr Sin Boon Ann as Director under Article 111.		
8.	To re-elect Mr Tan Chade Phang (Roger) as Director under Article 111.		
9.	To approve Directors’ fees of S\$357,025.		
10.	To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
11.	To authorise Directors to allot and issue Shares under the TIH Limited Scrip Dividend Scheme.		
12.	To authorise Directors to allot and issue Shares pursuant to Section 161 of the Companies Act, Cap. 50.		
13.	Renewal of the Interested Person Transactions Mandate		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

**Total Number of Shares Held**

Signature(s) of member(s)/Common Seal  
of Corporate Shareholder

\* Delete Accordingly





Notes :-

**IMPORTANT**

1. (a) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. Where such member's instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
- (b) Where a member of the Company is a relevant intermediary as defined in Section 181 of the Companies Act, the member is entitled to appoint more than two proxies to exercise all or any of his rights to attend and to speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by him (which number and class of shares shall be specified).
- (c) A proxy need not be a member of the Company.
- 2 The instrument of proxy shall be under the hand of the Member, or by its attorney duly authorized in writing, or if the Member is a corporation, under seal or under the hand of its attorney duly authorized in writing. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the Member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy.
3. A body corporate which is a member may also appoint by resolution of its directors or other governing body, such person as it thinks fit to act as its authorised representative in accordance with its constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.

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**Please affix postage stamp**

Affix  
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Stamp

**TIH LIMITED**  
**137 Telok Ayer Street #03-07**  
**Singapore 068602**

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4. This instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a certified copy thereof, must be deposited at the registered office of the Company at 137 Telok Ayer Street, #03-07, Singapore 068602, **not less than 72 hours** before the time fixed for holding the Annual General Meeting.
5. Please insert the total number of Shares held by you. If you have Shares entered against your name on the Depository Register (as defined in the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the Shares held by you.
6. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of members whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for the holding of the Annual General Meeting as certified by CDP to the Company.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or its service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or its service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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