



TLV HOLDINGS LIMITED

Company Registration No. 201526542C

Unaudited Third Quarter Financial Statement

For the Financial Period Ended 31 December 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group (Unaudited)			Group (Unaudited)		
	3Q2019 S\$'000	3Q2018 S\$'000	Change %	9M2019 S\$'000	9M2018 S\$'000	Change %
Revenue	29,254	26,356	11	87,962	79,927	10
Cost of sales	(21,342)	(19,758)	8	(66,625)	(59,205)	13
Gross profit	7,912	6,598	20	21,337	20,722	3
Other operating income	117	21	457	154	36	328
Distribution costs	(5,045)	(4,736)	7	(14,198)	(14,119)	1
Administrative expenses	(1,561)	(1,513)	3	(3,948)	(4,142)	(5)
Other operating expenses	(555)	(134)	314	(1,390)	(874)	59
Share of profit of associated companies	7	50	(86)	239	137	74
Finance costs	(156)	(54)	(189)	(342)	(165)	107
Profit before tax	719	232	210	1,852	1,595	16
Income tax expense	(197)	(19)	937	(229)	(153)	50
Net profit	522	213	145	1,623	1,442	13
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation	1	(9)	nm	7	(65)	nm
Share of other comprehensive income of income/(loss) associated companies	2	(47)	nm	194	(224)	nm
Total comprehensive income	525	157	234	1,824	1,153	58

nm – not meaningful

- 1(a)(ii) Notes to Consolidated Statement of profit or loss and other comprehensive Income**

Profit before income tax is arrived after (charging)/ crediting the following:

	Group (Unaudited)			Group (Unaudited)		
	3Q2019 S\$'000	3Q2018 S\$'000	Change %	9M2019 S\$'000	9M2018 S\$'000	Change %
Interest income from pawnbroking business	493	336	47	1,280	914	40
Net foreign currency exchange (loss)/gain	(60)	(89)	(33)	(66)	(458)	(86)
(Loss)/Gain on disposal of fixed assets	-	7	nm	(23)	5	560
Interest expense on bank borrowings	(156)	(54)	189	(342)	(165)	107
Depreciation of property, plant & equipment	(244)	(243)	-	(655)	(685)	(4)
Amortisation of trademarks	(34)	(35)	3	(105)	(105)	(1)

nm – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31.12.2018	31.03.2018	31.12.2018	31.03.2018
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Non-current assets				
Investment in subsidiaries	–	–	82,076	82,076
Investment in associated companies	6,500	5,421	–	–
Property, plant and equipment	11,131	5,173	–	–
Trademark	739	845	–	–
Non-current other receivables	861	638	–	–
Total non-current assets	19,231	12,077	82,076	82,076
Current assets				
Inventories	87,246	78,623	–	–
Trade and other receivables	49,603	50,852	14,328	15,113
Prepayments	116	73	11	21
Cash and bank balances	10,091	11,036	1,577	2,325
Total current assets	147,056	140,584	15,916	17,459
Total assets	166,287	152,661	97,992	99,535
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Loans and borrowings	16,944	11,321	–	–
Trade and other payables	39,070	35,812	717	837
Income tax payable	438	618	–	–
Total current liabilities	56,452	47,751	717	837
NET CURRENT ASSETS	90,604	92,833	15,199	16,622
Non-current liabilities				
Loans and borrowings	4,894	588	–	–
Deferred tax liabilities	245	245	–	–
Provision	275	255	–	–
Total non-current liabilities	5,414	1,088	–	–
Total Liabilities	61,866	48,839	717	837
NET ASSETS	104,421	103,822	97,275	98,698
Equity attributable to owners of the Company				
Share capital	96,719	96,719	96,719	96,719
Merger reserve	(64,502)	(64,502)	–	–
Treasury shares	(698)	(698)	(698)	(698)
Translation reserve	506	305	–	–
Retained earnings	72,396	71,998	1,254	2,677
Equity attributable to equity holders	104,421	103,822	97,275	98,698
Non-controlling interest	–	–	–	–
Total Equity	104,421	103,822	97,275	98,698

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	31.12.2018		31.03.2018	
	(Unaudited)		(Audited)	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	7,438	9,506	3,316	8,005
Amount repayable after one year	4,775	119	379	209
	12,213	9,625	3,695	8,214

Details of any collateral:

1. Bank borrowings of \$4.8 million (31 March 2018: \$0.27 million) are secured by first mortgages over leasehold properties owned by a subsidiary of the Group.
2. Short term bank loan of \$7.0 million (31 March 2018: \$3.0 million) is secured by a subsidiary's cash account and a fixed and floating charge on all present and future assets of the subsidiary.
3. All bank borrowings are secured by corporate guarantee from the Company. An amount of \$7.0 million (31 March 2018 : \$3.0 million) is also secured by corporate guarantee from a subsidiary.
4. The balance of the Group's secured borrowings relates to hire purchase facilities secured against the respective motor vehicles.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group (Unaudited)		Group (Unaudited)	
	3Q2019 S\$'000	3Q2018 S\$'000	9M2019 S\$'000	9M2018 S\$'000
Cash flows from operating activities				
Profit before tax	719	232	1,852	1,595
Adjustments for:				
Depreciation of property, plant and equipment	244	243	655	685
Amortisation of trademarks	34	35	105	105
Interest expense	156	54	342	165
Share of profit of associated companies	(7)	(50)	(239)	(137)
Allowance on doubtful receivables	430	-	1,200	-
Unrealised exchange (gain)/ loss	(145)	34	(171)	(15)
Reversal of provision of reinstatement cost	-	-	(20)	-
Loss/ (Gain) on disposal of plant and equipment	-	(7)	23	(5)
Operating cash flows before movements in working capital	1,431	541	3,747	2,393
Decrease /(increase) in trade and other receivables and prepayments	1,766	(2,864)	981	2,353
Decrease/(increase) in inventories	4,346	2,690	(8,623)	(1,303)
(Decrease)/increase in trade and other payables	(6,148)	(569)	2,115	809
Decrease/ increase in bills payable	(1,067)	937	(920)	473
Cash flows generated from/(used in) from operations	328	735	(2,700)	4,725
Interest paid	(156)	(54)	(342)	(165)
Income tax (paid)/refunded, net	(106)	122	(340)	55
Net cash generated from/(used in) operating activities	66	803	(3,382)	4,615
Investing activities				
Proceeds from disposal of property, plant and equipment	-	1	36	82
Purchase of property, plant and equipment	(151)	(63)	(6,632)	(158)
Investment in associated company	(233)	-	(642)	-
Net cash used in investing activities	(384)	(62)	(7,238)	(76)
Financing activities				
Proceeds from bank borrowings.	2,339	-	12,139	2,500
Repayment of bank borrowings	(391)	(460)	(1,193)	(6,520)
Repayment of hire purchase	(35)	(29)	(97)	(75)
Dividends paid	(1,225)	(867)	(1,225)	(867)
Net cash flows used in financing activities	688	(1,356)	(9,624)	(4,962)
Net increase/ (decrease) in cash and cash equivalents	370	(615)	(996)	(423)
Net effect of exchange rates changes on the balance cash held in foreign currencies	15	16	51	(125)
Cash and cash equivalents at beginning of the financial period	9,706	10,391	11,036	10,340
Cash and cash equivalents at end of the financial period	10,091	9,792	10,091	9,792

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Merger reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Total Equity
Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 April 2018	96,719	(64,502)	(698)	305	71,998	103,822
As at 30 June 2018	96,719	(64,502)	(698)	366	72,709	104,594
As at 30 September 2018	96,719	(64,502)	(698)	503	71,874	103,896
Profit for the period	–	–	–	–	522	522
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	–	1	–	1
Share of other comprehensive income of associated companies	–	–	–	2	–	2
	–	–	–	3	522	525
As at 31 December 2018	96,719	(64,502)	(698)	506	72,396	104,421

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Share Capital	Merger reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Legal reserve	Non Controlling Interest	Total Equity
Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 April 2017	96,719	(64,502)	(698)	694	69,354	55	1	101,623
As at 30 June 2017	96,719	(64,502)	(698)	607	70,388	55	1	102,570
As at 30 September 2017	96,719	(64,502)	(698)	461	69,716	55	1	101,752
Profit for the period	–	–	–	–	214	–	(1)	213
Other comprehensive income								
Foreign currency translation	–	–	–	(9)	–	–	–	(9)
Share of other comprehensive loss of associated company	–	–	–	(47)	–	–	–	(47)
	–	–	–	(56)	214	–	(1)	157
As at 31 December 2017	96,719	(64,502)	(698)	405	69,930	55	-	101,909

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Company (Unaudited)	Share Capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total Equity S\$'000
As at 1 April 2018	96,719	(698)	2,677	98,698
As at 30 June 2018	96,719	(698)	2,684	98,705
As at 30 September 2018	96,719	(698)	1,345	97,366
Loss for the period	—	—	(91)	(91)
Total comprehensive income	—	—	(91)	(91)
As at 31 December 2018	96,719	(698)	1,254	97,275

Company (Unaudited)	Share Capital S\$'000	Treasury Shares S\$'000	Retained earnings S\$'000	Total Equity S\$'000
As at 1 April 2017	96,719	(698)	2,136	98,157
As at 30 June 2017	96,719	(698)	2,058	98,079
As at 30 September 2017	96,719	(698)	1,032	97,053
Loss for the period	—	—	(232)	(232)
Total comprehensive income	—	—	(232)	(232)
As at 31 December 2017	96,719	(698)	800	96,821

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of Shares	Share capital (S\$'000)
As at 31 December 2018	559,406,000	96,021
As at 30 September 2018	559,406,000	96,021

The Company did not have any outstanding options or convertibles as at 31 December 2018 and 31 December 2017.

	31.12.2018	31.12.2017
Number of issued shares held as treasury shares	6,100,000	6,100,000
Number of issued shares held as subsidiary holdings	—	—
Total number of issued shares excluding treasury shares and subsidiary holdings	559,406,000	559,406,000

Accordingly the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed is 1.1% and 1.1% as at 31 December 2018 and 31 December 2017 respectively.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	31.12.2018	31.03.2017
Total number of issued shares excluding treasury shares	559,406,000	559,406,000

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no sales, transfers, cancellations and/or use of treasury shares during the financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There were no sales, transfers, cancellations and/or use of subsidiary holdings during the financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period and year compared with the audited financial statements for the year ended 31 March 2018, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") and all applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective on 1 April 2018. The adoption of SFRS(I) and the new and revised standards did not have any material impact on the financial statements of the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has elected not to apply the optional exemption to reset its cumulative translation differences for all foreign operation to nil as at 1 April 2017.

The adoption of new and revised standards did not have any material impact on the profit or loss and financial position of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

(Unaudited)	3Q 2019	3Q 2018	9M 2019	9M 2018
Profit attributable to equity holders of the Company (S\$'000)	522	213	1,623	1,442
Weighted average number of ordinary shares used in the computation of basic and diluted EPS ('000)	559,406	559,406	559,406	559,406
Basic and diluted earnings per share (Singapore cents)	0.09	0.04	0.29	0.26

Note:

¹The weighted average number of shares of the Company is calculated based on the adjusted share capital after taking into account of the share buybacks in the respective financial periods, if any.

²The basic and diluted earnings per share are the same as there were no potential dilutive ordinary shares existing during the financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) Current period reported on; and (b) Immediately preceding financial year.**

	GROUP		COMPANY	
	31.12.2018 Unaudited	31.03.2018 Audited	31.12.2018 Unaudited	31.03.2018 Audited
Net asset value per ordinary share (Singapore cents)	18.67	18.56	17.39	17.64
Number of issued shares (excluding treasury shares) (S\$'000)	559,406	559,406	559,406	559,406

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Review of the Income Statement of the Group

Revenue

	GROUP		Change
	3Q 2019 (Unaudited) S\$'000	3Q 2018 (Unaudited) S\$'000	
Retail and pawnbroking	16,614	16,417	1
Exhibition business	12,640	9,939	27
Total	29,254	26,356	11

Revenue increased by 11% from \$26.4 million in 3Q 2018 to \$29.3 million in 3Q 2019 mainly due to increase in revenue from the exhibition business segment.

Revenue for retail and pawnbroking is comparable at \$16.6 million in 3Q2019 against \$16.4 million in 3Q2018.

Revenue for exhibition business increased by 27% from \$9.9 million to \$12.6 million due to greater sales generated from participation in more international exhibitions.

Cost of sales

Correspondingly, cost of sales increased by \$1.6 million or 8% to \$21.3 million in 3Q2019 due to different product mix sold during the financial period.

Gross profit and gross profit margin

Gross profit increased by approximately \$1.3 million or 20% to \$7.9 million in 3Q2019 due to higher revenue generated in 3Q2019. Gross profit margin increased from 25% in 3Q2018 to 27% in 3Q2019 due to increased sales volume of high margin products in 3Q2019.

Distribution costs

Distribution costs increased by approximately \$0.3 million or 7% to \$5 million in 3Q2019 due to higher sales commission, freight and insurance expenses as a result of higher sales during the financial period.

Administrative expenses

Administrative expenses maintained at the same level of \$1.5 million in 3Q2018 and 3Q2019.

Other operating expenses

Other operating expenses increased by approximately \$0.4 million to \$0.5 million in 3Q2019 mainly due to higher allowance for doubtful receivables and forex exchange losses.

Net profit

As a result of the foregoing, the Group's net profit increased by approximately \$0.2 million to \$0.5 million in 3Q 2019.

Review of Financial Position of the Group**Non-current assets**

Non-current assets increased by approximately \$7 million or 59% from \$12.1 million as at 31 March 2018 to \$19.2 million as at 31 December 2018 mainly due to purchase of a leasehold property and capital injection to an associate.

Current assets

Current assets increased by approximately \$6.5 million or 4.6% from \$140.5 million as at 31 March 2018 to \$147.1 million as at 31 December 2018, mainly due to an increase in inventories and partially offset by decrease in trade and other receivables.

The increase in inventories was due to higher level of finished goods holdings in preparation for major exhibition shows in 4Q2019.

Current liabilities

Current liabilities increased by \$8.7 million or 18.2% from \$47.8 million as at 31 March 2018 to \$56.5 million as at 31 December 2018 mainly due to increase in bank borrowings and trade and other payables during the financial period. The higher bank borrowings were attributable to the utilisation of higher quantum of facilities for the operational needs of both the raw material purchases and pawn broking business. The increase in trade and other payables was due to the increase in inventory purchases.

Non-current liabilities

Non-current liabilities increased by \$4.3 million or 398% from \$1.1 million as at 31 March 2018 to \$5.4 million as at 31 December 2018 mainly due to drawn down of the property loan to finance the leasehold property purchase during the financial period.

Working capital

The Group had a positive working capital of approximately \$90.6 million as at 31 December 2018 as compared to approximately \$92.8 million as at 31 March 2018.

Review of the Cash Flow Statement of the Group

Cash and cash equivalents decreased by approximately \$0.94 million or 8.6% from approximately \$11 million as at 31 March 2018 to approximately \$10 million as at 31 December 2018.

Net cash from operating activities

In 3Q2019, the net cash generated from operations of \$0.3 million, which was a net result of operating cash flow before working capital changes of \$1.4 million, adjusted for working capital outflow of \$1.1 million.

The net working capital outflow of \$1.1 million was mainly due to the following:

- (a) Decrease in trade and other receivables of \$1.8 million;
- (b) Decrease in inventories of \$4.3 million;
- (c) Decrease in bills payables of \$1.1 million; and
- (d) Decrease in trade and other payables of \$6.1 million.

Net cash from investing activities

The net cash used in investing activities amounted to \$0.4 million was for the additional capital injection to one of the associated companies.

Net cash from financing activities

The net cash from financing activities of \$0.7 million was largely due to increase in bank borrowings, offset by payment of dividends.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statements has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Amidst the global macroeconomic uncertainties, the Group strives to focus on potential sales growth by leveraging its presence via participating in international jewellery exhibitions and enhance its presence through its overseas business associates.

The dynamics in the current jewellery industry is ever changing. The shift of consumer spending power presents considerable opportunities to the jewellery industry. The Group commits to understand these consumers and adapts its marketing initiatives and offer differentiated new products to stay relevant in today's business market.

The Group expects the business environment and conditions to remain challenging and volatile. Barring any unforeseen circumstances, the Group is cautiously optimistic of its performance for the financial year.

11. Dividend

(a) Any dividend declared for the current financial period reported on?

None.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision

No dividend has been declared/recommendeded for the current financial period reported on as the Company will consider recommendation of dividend, if any, at the end of each financial year on grounds of prudence.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There were no other IPT of \$100,000 and above for the current financial period reported on.

The Group does not have a general mandate from shareholders for IPTs.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

15. Negative Confirmation of Interim Financial Results Pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the third quarter ended 31 December 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
TLV Holdings Limited

Teo Boon Leng
Managing Director
14 February 2019