CIRCULAR DATED 5 FEBRUARY 2018

THIS CIRCULAR IS ISSUED BY TIH LIMITED (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF TATA CAPITAL MARKETS PTE. LTD., THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

TIH LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199400941K)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY UNCONDITIONAL OFFER

by

RHB SECURITIES SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198701140E)

for and on behalf of

KAISER UNION LIMITED

(Incorporated in the British Virgin Islands)
(Company Registration No.: 1918369)

as bid vehicle for the joint offerors

PREMIER ASIA LIMITED
(Incorporated in the British Virgin Islands)
(Company Registration No.: 1913448)

an entity wholly-owned by

LIPPO CHINA RESOURCES LIMITED
(Incorporated in Hong Kong)
(Company Registration No.: 32031)

ALEXANDRA ROAD LIMITED
(Incorporated in the British Virgin Islands)
(Company Registration No.: 1911441)

an entity jointly-owned by funds managed by and including

ARGYLE STREET MANAGEMENT LIMITED
(Incorporated in British Virgin Islands)
(Company Registration No.: 473834)

for all the issued and paid-up ordinary shares in the capital of the Company

Independent Financial Adviser to the Independent Directors of the Company

TATA CAPITAL MARKETS PTE LTD

TATA CAPITAL MARKETS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Reg. No. 200820715M)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 12.00 P.M. (SINGAPORE TIME) ON 20 FEBRUARY 2018, EXCEPT THAT ACCEPTANCES OF THE OFFER VIA ELECTRONIC ACCEPTANCES MUST BE RECEIVED NOT LATER THAN 5.30 P.M. (SINGAPORE TIME) ON 19 FEBRUARY 2018. ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

CONTENTS

		PAGE
DEFINITIONS		2
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS		6
INDICATIVE TIMETABLE		7
LETTER TO SHAREHOLDERS		8
1.	INTRODUCTION.	8
2.	THE OFFER	9
3.	FURTHER DETAILS OF THE OFFER	12
4.	PROCEDURES FOR ACCEPTANCE..	12
5.	INFORMATION ON THE COMPANY	12
6.	INFORMATION ON THE BIDCO AND THE JOINT OFFERORS	12
7.	RATIONALE FOR THE OFFER	14
8.	THE JOINT OFFERORS' INTENTIONS FOR THE COMPANY	15
9.	DIRECTORS' INTERESTS	16
10.	ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS	16
11.	RECOMMENDATION OF THE INDEPENDENT DIRECTORS	18
12.	ACTION TO BE TAKEN BY SHAREHOLDERS.	19
13.	OVERSEAS SHAREHOLDERS.	19
14.	INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS	20
15.	DIRECTORS' RESPONSIBILITY STATEMENT	21
16.	ADDITIONAL INFORMATION	21
APPENDIX A	**: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF TIH LIMITED**	A-1
APPENDIX B	**: GENERAL INFORMATION RELATING TO THE COMPANY**	B-1
APPENDIX C	**: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY**	C-1
APPENDIX D	**: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016**	D-1

In this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

"**9M2017**"	:	The nine (9) months ended 30 September 2017
"**9M2017 Results**"	:	The unaudited consolidated financial statements of the Group for 9M2017 as announced on 2 November 2017
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**ARF**"	:	ASM Asia Recovery (Master) Fund
"**ARL**"	:	Alexandra Road Limited
"**ASM**"	:	Argyle Street Management Limited
"**BidCo**"	:	Kaiser Union Limited
"**BidCo Securities**"	:	(i) The BidCo Shares; (ii) other securities which carry substantially the same rights in BidCo; and (iii) convertible securities, warrants, options and derivatives in respect of the BidCo Shares or securities which carry voting rights in BidCo
"**BidCo Shares**"	:	Issued and paid-up ordinary shares in the capital of BidCo
"**Business Day**"	:	A day (other than Saturday, Sunday or a public holiday) on which banks are not open for business in Singapore
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to the Shareholders dated 5 February 2018 from the Company containing, amongst other things, the Recommendation and the advice of the IFA to the Independent Directors
"**Closing Date**"	:	20 February 2018, being the last day for the lodgement of acceptances of the Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore
"**Company**"	:	TIH Limited
"**Company Securities**"	:	(i) The Shares; (ii) securities which carry voting rights in the Company; and (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company
"**Constitution**"	:	The constitution of the Company
"**CPF**"	:	The Central Provident Fund
"**CPFIS**"	:	CPF Investment Scheme
"**CPFIS Investors**"	:	Investors who purchase Shares using their CPF contributions pursuant to the CPFIS

"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Electronic Acceptance**"	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
"**FAA**"	:	Form of Acceptance and Authorisation, applicable to Shareholders whose Offer Shares are deposited with CDP, which forms part of the Offer Document
"**FAT**"	:	Form of Acceptance and Transfer, applicable to Shareholders whose Offer Shares are registered in their own names in the Register, which forms part of the Offer Document
"**FY**"	:	In respect of the Company, financial year ended or ending (as the case may be) on 31 December of a particular year as stated
"**Group**"	:	The Company and its subsidiaries from time to time
"**HRF**"	:	ASM Hudson River Fund
"**IFA**"	:	Tata Capital Markets Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
"**IFA Letter**"	:	Letter dated 5 February 2018 from the IFA to the Independent Directors containing, amongst other things, the advice of the IFA to the Independent Directors in respect of the Offer, as set out in Appendix A to this Circular
"**Independent Directors**"	:	The Directors who are considered independent for the purpose of making the Recommendation, namely: (i) Wang Ya Lun Allen; (ii) Liong Tong Kap; and (iii) Thanathip Vidhayasirinun
"**Joint Offerors**"	:	PAL and ARL
"**Latest Practicable Date**"	:	30 January 2018, being the latest practicable date prior to the printing of this Circular
"**LCR**"	:	Lippo China Resources Limited
"**Listing Rules**"	:	The listing rules of the Main Board of the SGX-ST in force as at the Latest Practicable Date
"**Market Day**"	:	A day on which the SGX-ST is open for trading of securities
"**Non-Independent Directors**"	:	Mr. Kin Chan, Ms. Li Yick Yee Angie and Mr. Vince Feng
"**Offer**"	:	The voluntary unconditional offer made by RHBSEC, for and on behalf of BidCo, for all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of BidCo

"**Offer Announcement**"	:	The announcement of the Offer released by RHBSEC, for and on behalf of BidCo, on the Offer Announcement Date
"**Offer Announcement Date**"	:	8 January 2018, being the date of the Offer Announcement
"**Offer Document**"	:	The offer document dated 22 January 2018 including the FAA and FAT, and any other document(s) which may be issued by or on behalf of BidCo, to amend, revise, supplement or update such offer document(s) from time to time
"**Offer Price**"	:	SGD0.57 for each Offer Share, as to which: (i) SGD0.125 will be paid in cash; and (ii) SGD0.445 will be paid by the issue of the Offeror Notes
"**Offer Shares**"	:	Shall have the meaning ascribed to it in Section 1.1 of this Circular
"**Offeror Notes**"	:	A three-year senior unsecured 2.25% note issued at par by BidCo, the terms of which are set out in the Offer Document
"**Overseas Shareholders**"	:	Shareholders with neither a mailing address nor a corporate action mailing address in Singapore, as shown on the Register or, as the case may be, in the records of CDP
"**PAL**"	:	Premier Asia Limited
"**Recommendation**"	:	Shall have the meaning ascribed to it in Section 1.4 of the Circular
"**Register**"	:	The register of Shareholders maintained by the Share Registrar
"**RHBSEC**"	:	RHB Securities Singapore Pte. Ltd.
"**SFA**"	:	The Securities and Futures Act, Chapter 289 of Singapore
"**SGXNET**"	:	The website of the SGX-ST
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Registrar**"	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
"**Shareholders**"	:	The holders of Shares, including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST
"**Shares**"	:	Issued and paid-up ordinary shares in the capital of the Company
"**SIC**"	:	Securities Industry Council of Singapore
"**SRS**"	:	Supplementary Retirement Scheme
"**SRS Investors**"	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
"**S$**" and "**SGD**"	:	Singapore dollars, being the lawful currency of Singapore
"**%**" or "**per cent.**"	:	Percentage or per centum

Acting in Concert and Associates. Unless otherwise defined, the expressions "**acting in concert**" and the term "**associates**" shall have the same meanings as ascribed to them respectively in the Code.

Depository Related Terms. The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Expressions. Words importing the singular shall, where applicable, include the plural and *vice versa* and words indicating a specific gender shall, where applicable, include the other genders (male, female or neuter). References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in figures included in this Circular between the listed amounts and their totals are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to Shareholders (including persons whose Shares are deposited with CDP or who have purchased the Shares on the SGX-ST).

Statutes. Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision for the time being amended, modified, supplemented or re-enacted. Any word defined in the Companies Act, the Code, the Listing Rules, the SFA, or any such statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Code, the Listing Rules, the SFA or that modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary, wholly owned subsidiary and related corporation. References to "**subsidiary**", "**wholly owned subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Sections 5, 5B and 6 of the Companies Act.

Time and date. Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

Total Number of Shares and Percentage of Shares. In this Circular, the total number of Shares as at the Latest Practicable Date is 241,685,638 (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA). Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Circular are based on 241,685,638 Shares as at the Latest Practicable Date.

Statements which are reproduced in their entirety or as excerpts from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in *italics*, and all capitalised terms and expressions used within these reproduced statements and not defined herein shall have the same meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "if", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of information available as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

Given the risks and uncertainties that may cause the actual results, performance or achievements of the Company and/or Group to be materially different than expected, expressed or implied by the forward-looking statements in this Circular, Shareholders are advised not to place undue reliance on those statements. Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and/or any regulatory or supervisory body or agency.

INDICATIVE TIMETABLE

Date of despatch of Offer Document	:	22 January 2018 (Monday)
Date of despatch of this Circular	:	5 February 2018 (Monday)
Closing Date	:	12.00 p.m. (Singapore time) on 20 February 2018, except that acceptances of the Offer via Electronic Acceptances must be received not later than 5.30 p.m. (Singapore time) on 19 February 2018. Notice has been given by BidCo that the Offer will not be extended, revised or be open for acceptance beyond 12.00 p.m. (Singapore time) on 20 February 2018
Date of settlement of consideration for valid acceptances of the Offer	:	In respect of acceptances which are valid and complete in all respects and in accordance with the instructions and requirements stated in the Offer Document and the FAA and/or FAT (as the case may be), within seven (7) Business Days after the receipt of such acceptances. Please refer to section 2 of Appendix 1 to the Offer Document for further information.

TIH LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199400941K)

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)

Registered Office

137 Telok Ayer Street
#03-07
Singapore 068602

5 February 2018

To: The Shareholders of the Company

Dear Sir / Madam

VOLUNTARY UNCONDITIONAL OFFER BY RHBSEC FOR AND ON BEHALF OF KAISER UNION LIMITED FOR THE OFFER SHARES

1. INTRODUCTION

1.1 **Offer Announcement.** On 8 January 2018, RHBSEC announced, for and on behalf of BidCo, that BidCo intends to make the Offer for all the issued and paid-up Shares, including all the Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with Joint Offerors ("**Offer Shares**"). The Offer is made by BidCo. BidCo is the bid vehicle for the Joint Offerors. The Joint Offerors are PAL, an entity wholly-owned by LCR, and ARL, an entity jointly-owned by funds managed by and including ASM.

A copy of the Offer Announcement is available on SGXNET at www.sgx.com. The Offer Announcement was also advertised in The Straits Times on 10 January 2018.

1.2 **Offer Document.** Shareholders should by now have received a copy of the Offer Document issued by RHBSEC, for and on behalf of BidCo, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in section 2 of the Offer Document. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on SGXNET at www.sgx.com.

1.3 **Independent Financial Adviser.** The Company has appointed Tata Capital Markets Pte. Ltd. as the independent financial adviser to advise the Independent Directors in respect of the Offer.

1.4 **Circular.** The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors ("**Recommendation**") and the advice of the IFA to the Independent Directors with regard to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix A carefully and consider the Recommendation and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether or not to accept the Offer.

If you are in any doubt in respect of this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1 **Offer Terms.** The Offer is made by RHBSEC for and on behalf of BidCo on the principal terms set out in section 2 of the Offer Document, extracts of which are reproduced below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"2. TERMS OF THE OFFER

2.1 Joint Offerors. *PAL and ARL, as Joint Offerors and Concert Parties, have agreed to form a consortium pursuant to an agreement dated 8 January 2018 entered into between LCR and ASM ("**Consortium Agreement**") to make the Offer and jointly decide all matters with respect to the Offer. BidCo, an entity incorporated in the British Virgin Islands, was set up for the purposes of making the Offer.*

*A summary of the principal terms and conditions of the Consortium Agreement is set out in **Appendix 6** to this Offer Document.*

2.2 Offer Shares. *For and on behalf of BidCo, the Financial Adviser hereby makes the Offer for all the issued Shares ("**Offer Shares**"), including all the Shares owned, controlled or agreed to be acquired by the Concert Parties of the Joint Offerors[3], in accordance with the SFA and the Code.*

2.3 Offer Price. *The Offer is made at SGD0.57 for each Offer Share ("**Offer Price**"), as to which:*

2.3.1 *SGD0.125 will be paid in cash; and*

2.3.2 *SGD0.445 will be paid by the issue of an up to SGD49.3 million 2.25% Offeror Notes due three years from the close of the Offer ("**Maturity Date**").*

*The Offeror Notes constitute senior, unsecured and non-guaranteed obligations of BidCo. The Offeror Notes will bear interest at a rate of 2.25% per annum accruing from the issuance of the Offeror Notes until the Maturity Date, payable on each anniversary of the close of the Offer. The Offeror Notes will be repaid in full (together with all interest accrued and unpaid thereon) by BidCo on the Maturity Date of the Offeror Notes wholly in cash. Holders of the Offeror Notes will not be entitled to any dividends, rights, other distributions and return of capital ("**Distribution**"), whether in the nature of income or capital and whether in cash or in kind. The Offeror Notes will not be listed on any securities or stock exchange.*

*The terms and conditions of the Offeror Notes are set out in **Appendix 7** to this Offer Document.*

Shareholders should note that the Offeror Notes will not be listed. BidCo will not be involved in the matching of buyers and sellers of the Offeror Notes, and cannot and will not ensure that any holder of the Offeror Notes who wishes to sell such Offeror Notes will be able to locate a willing buyer. Accordingly, there may not be a liquid market for the trading of the Offeror Notes. If there is in fact a lack of liquidity, holders of the Offeror Notes who wish to the sell the Offeror Notes may have to do so at a discount.

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[3] *Please note that the availability of the Offer to persons not resident in Singapore may be affected by the laws and regulation of the relevant jurisdiction. Please see **Section 12** for further details.*

Shareholders should also note that there is interest rate risk inherent in the holding of the Offeror Notes. If interest rates rise, the Offeror Notes may be less attractive as a debt instrument and any holder of the Offeror Notes who wishes to sell the Offeror Notes prior to maturity may have to do so at a discount to the par value of the Offeror Notes.

2.4 No Revision to Offer Price. *The Joint Offerors do not intend to revise the Offer Price, save that the Joint Offerors reserve the right to revise the terms of the Offer in accordance with the Code if an offer which is, or is deemed under the Code to be, competitive to the Offer ("**Competing Offer**") arises. Accordingly, unless otherwise announced by or on behalf of the Joint Offerors in the event of a Competing Offer, the Offer Price is final and will not be revised.*

2.5 Rights and Encumbrances. *The Offer Shares will be acquired:*

2.5.1 *fully paid;*

2.5.2 *free from all Encumbrances; and*

2.5.3 *together with all rights, benefits and entitlements attached thereto as at the date of the Offer Announcement ("**Announcement Date**") and thereafter attaching thereto, including the right to receive and retain all Distribution (if any) which may be announced, declared, paid or made by TIH on or after the Announcement Date.*

If any Distribution is announced, declared, paid or made by TIH on or after the Announcement Date and the Joint Offerors are not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Offer Price payable in respect of such Offer Share will be reduced by the relevant amount of such Distribution.

2.6 Offer Condition. *The Offer will be subject to the Joint Offerors, together with their Concert Parties, holding 50% + 1 of the Shares as at the close of the Offer. As the ASM Concert Parties already hold, as at the Announcement Date, in aggregate, 130,952,982 Shares, representing approximately 54.2% of all the issued Shares as at the Announcement Date, the Offer will be unconditional from the outset.*

The Offer will not be conditional on any other conditions."

2.2 **Irrevocable Undertaking.** As stated in section 2.7 of the Offer Document, ASM has given an irrevocable undertaking to BidCo, as reproduced below.

*"**2.7 Irrevocable Undertaking.** ASM has given an irrevocable undertaking to BidCo ("**Irrevocable Undertaking**") that:*

2.7.1 *ASM will accept, and will procure the acceptance by the ASM Concert Parties of, such number of ASM Shares as will result in BidCo holding 110,732,656 Shares, representing approximately 45.8% of all the issued Shares.*

The number of ASM Shares to be tendered by the ASM Concert Parties in acceptance of the Offer will be calculated as follows[4]:

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[4] *To illustrate (and purely for illustrative purposes only):*

(i) if and to the extent certain shareholders of TIH (other than the ASM Concert Parties) tender their Shares in acceptance of the Offer such that BidCo holds 110,732,656 Shares, representing approximately 45.8% of all the issued Shares (not including treasury Shares), then the ASM Concert Parties will not tender any Share in acceptance of the Offer; and

(ii) if and to the extent certain shareholders of TIH (other than the ASM Concert Parties) tender their Shares in acceptance of the Offer such that BidCo holds 24,168,564 Shares, representing approximately 10.0% of all the issued Shares (not including treasury Shares), then the ASM Concert Parties will tender 86,564,092 Shares, representing approximately 35.8% of all the issued Shares (not including treasury Shares).

{[100% – (A/B)%] x B} – C – D,

where:

*"**A**" = the aggregate number of ASM Shares;*

*"**B**" = the total number of issued Shares (not including treasury Shares) for the time being;*

*"**C**" = the aggregate number of Shares purchased by BidCo from the open market or via off-market transactions from the commencement of the Offer Period until the close of the Offer[5]; and*

*"**D**" = the aggregate number of Shares validly tendered by shareholders of TIH, other than the ASM Shares, from the commencement of the Offer Period until the close of the Offer.*

ASM has agreed to limit its entitlement to accept the Offer such that any ASM Share tendered by the ASM Concert Parties which would otherwise have resulted in BidCo holding in excess of 110,732,656 Shares, representing approximately 45.8% of all the issued Shares, will, to the extent so exceeding 110,732,656 Shares, not be treated as valid acceptances; and

2.7.2 *in the event Shares tendered in acceptance of the Offer result in TIH's free float falling below 10%, ASM will, and will procure the ASM Concert Parties to, place down such number of Shares held by them as will restore the required level of free float pursuant to the Listing Manual,*

in each case upon and subject to the terms and conditions of the Irrevocable Undertaking. ***Section 7.2*** *sets out ASM's rationale for giving the undertaking (and, for the avoidance of doubt, references to the "**ASM Concert Parties**" in this* ***Section 2.7*** *refer to all the ASM Concert Parties, including MIL).*

Save as disclosed in this Offer Document, none of BidCo, PAL, LCR or the ASM Concert Parties or any of their respective Concert Parties has received any irrevocable undertaking from any other party to accept or reject the Offer."

2.3 **Transfers between BidCo, PAL and ARL.** Section 2.8 of the Offer Document states the following:

*"**2.8 Transfers between BidCo, PAL and ARL.** Immediately following the close of the Offer, BidCo's shareholding percentage in TIH will be equal to 110,732,656 Shares, representing approximately 45.8% of all the issued Shares. The Joint Offerors will review their respective shareholding percentages in TIH following the close of the Offer and, pursuant to such review, BidCo and the Joint Offerors may transfer Shares amongst themselves (or their respective nominees) so as to reach a desired level of shareholding percentage in TIH for BidCo and each Joint Offeror. Such transfers, if made, will be completed within 12 months of the close of the Offer, made at the Offer Price and on the same terms as set out in* ***Section 2.5****, and no premium will be paid by BidCo or any Joint Offeror pursuant to such transfers. The Securities Industry Council ("**SIC**") has confirmed that neither Joint Offeror nor BidCo will incur an obligation to make a mandatory general offer for TIH pursuant to such transfers."*

[5] *It is the intention of the Joint Offerors that BidCo will not be purchasing Shares from the open market or via off-market transactions during the Offer Period.*

2.4 **Warranty.** Section 2.9 of the Offer Document states the following:

*"**2.9 Warranty.** A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof:*

***2.9.1** fully paid;*

***2.9.2** free from all Encumbrances; and*

***2.9.3** together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto including the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by TIH on or after the Announcement Date.*"

3. FURTHER DETAILS OF THE OFFER

Appendix 1 to the Offer Document sets out further details on (i) the duration of the Offer, (ii) the settlement of the consideration for the Offer, (iii) the requirements relating to the announcement of the level of acceptances of the Offer and (iv) acceptances of the Offer.

4. PROCEDURES FOR ACCEPTANCE

Appendix 2 to the Offer Document sets out the procedures for acceptance of the Offer.

5. INFORMATION ON THE COMPANY

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. Additional information on the Company is set out in Appendix B to this Circular.

6. INFORMATION ON THE BIDCO AND THE JOINT OFFERORS

The following information on the BidCo and the Joint Offerors has been extracted from section 5 of the Offer Document and reproduced below.

"***5. BIDCO, LCR AND ARL***

***5.1 BidCo.** BidCo is a private company incorporated in the British Virgin Islands. Its principal activity is that of investment holding. As at the Latest Practicable Date, it has an issued and paid-up share capital of USD1. LCR, through PAL, holds 100% of the issued shares in BidCo.*

As at the Latest Practicable Date, the directors of BidCo are Lee Kwok Fai and Au Shiu Leung, Alex.

***Appendix 3A** to this Offer Document sets out additional information on BidCo.*

***5.2 PAL and LCR.** As at the Latest Practicable Date, PAL is an indirect wholly-owned subsidiary of LCR.*

LCR is a company listed on The Stock Exchange of Hong Kong Limited. The principal activity of LCR is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, healthcare services, food business, property management, mineral exploration, extraction and processing, securities investment, treasury investment and money lending[6]. LCR is owned approximately 74.99% by Lippo Limited, which is, in turn, ultimately controlled by Stephen Riady and James Tjahaja Riady.

[6] *Source: LCR's description on its official webpage at http://www.lcr.com.hk/index_en.htm.*

A summary of LCR and its subsidiaries' financial information, on a consolidated basis, is as follows:

	As at, or for the financial year ended, 31 March 2017 (Audited)		***As at, or for the six-month period ended, 30 September 2017 (Unaudited)***	
	HKD (million)	***SGD (million)[7]***	***HKD (million)***	***SGD (million)***
Revenues	*2,461.3*	*415.6*	*1,212.7*	*204.8*
Profit attributable to shareholders	*387.8*	*65.5*	*124.3*	*21.0*
*Net assets attributable to shareholders ("**NAV**")*	*4,105.0*	*693.2*	*4,240.3*	*716.0*
Net cash[8]	*517.3*	*87.3*	*959.6*	*162.0*

As at the Latest Practicable Date, the directors of PAL are Lee Kwok Fai and Au Shiu Leung, Alex, and the directors of LCR are Stephen Riady, John Luen Wai Lee, James Siu Lung Lee, Leon Nim Leung Chan, Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung.

As at the Latest Practicable Date, LCR does not hold any Shares.

***Appendix 3B** to this Offer Document sets out additional information on PAL and **Appendix 3C** to this Offer Document sets out additional information on LCR.*

***5.3 ARL and ASM.** As at the Latest Practicable Date, ARL is held 0.4% by ASM, 48.6% by ARF, 13.2% by HRF and 37.8% by ASMV. ARF, HRF and ASMV are funds managed by ASM.*

Founded in 2002, ASM is a privately owned asset management company which invests, on behalf of the funds it manages, primarily in special situations in Asia. Based in Hong Kong, ASM invests in special situations via public equity, fixed income, private equity, financing and property.

As at 30 September 2017, ASM has approximately USD1.2 billion (equivalent to SGD1.6 billion[9]) of assets under management and has 26 people working in Hong Kong.

As at the Latest Practicable Date, the directors of each ASM Concert Party are as follows:

ASM Concert Parties	***Directors***
ASM	● *Kin Chan – chairman and deemed executive director of TIH;* ● *Yick Yee Angie Li – non-executive director of TIH;* ● *V-Nee Yeh; and* ● *Aubrey Li.*
ARL	● *ASM.*
ASMV	● *Adriatic Sea Management Limited.*

[7] *All HKD:SGD conversions in this Offer Document are based on an exchange rate of SGD1:HKD5.9222 as at the Latest Practicable Date.*

[8] *Being the aggregate of "cash and cash equivalents" and "time deposits with original maturity of more than three months", less "bank and other borrowings", as set out on the balance sheet of LCR and its subsidiaries, on a consolidated basis, as at each of the relevant dates.*

[9] *All USD:SGD conversions in this Offer Document are based on an exchange rate of SGD1:USD0.7570 as at the Latest Practicable Date.*

ASM Concert Parties	*Directors*
ARF	● *Kin Chan – chairman and deemed executive director of TIH;* ● *Yick Yee Angie Li – non-executive director of TIH;* ● *Chanin Donavanik;* ● *Vince Feng – non-executive independent director of TIH; and* ● *Christian Jason Chan.*
HRF	● *Kin Chan – chairman and deemed executive director of TIH;* ● *Yick Yee Angie Li – non-executive director of TIH;* ● *Chanin Donavanik;* ● *Vince Feng – non-executive independent director of TIH; and* ● *Christian Jason Chan.*
MIL	● *Christian Jason Chan.*

The SIC has confirmed that for the purpose of this Offer Document, the requirement to disclose the prescribed information set out in Rule 23.4 of the Code does not apply with respect to ARL and ASM.

5.4 ***Internal Restructuring of ASM Concert Parties.*** *As at the Latest Practicable Date, the ASM Shares are held directly and indirectly through the ASM Concert Parties. As described in* ***Section 1.4****, the ASM Concert Parties (but, for this purpose, excluding MIL) intend to consolidate their direct and indirect shareholdings in TIH into a single entity, ARL, prior to the close of the Offer. If and to the extent the ASM Transfer is completed prior to the close of the Offer, ARL alone (not the other ASM Concert Parties) will tender the ASM Shares in acceptance of the Offer or place down such number of ASM Shares (as the case may be) in accordance with the terms and conditions of the Irrevocable Undertaking. Otherwise, the relevant ASM Concert Parties which hold the ASM Shares will tender their Shares in acceptance of the Offer or place down such number of ASM Shares (as the case may be) in accordance with the terms and conditions of the Irrevocable Undertaking. The SIC has confirmed that ARL will not incur an obligation to make a mandatory general offer for TIH pursuant to the ASM Transfer.*

Please refer to ***Section 1.4*** *for an update on the status of the ASM Transfer.*"

7. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer has been extracted from the Offer Document and reproduced below. **Shareholders are advised to read the extract below carefully.**

"***7. RATIONALE FOR THE OFFER***

7.1 ***LCR.*** *LCR and the Lippo group would like to expand their scope of business in securities and fund investments in Asia. TIH, as a well-established closed-end fund in Singapore which focuses in investments in various sectors in Asia, matches LCR and the Lippo group's strategy to expand their scope of business in securities and fund investments in Asia. As such, LCR and the Lippo group are of the view that the Offer is beneficial to the future business direction, management and operations of LCR and the Lippo group.*

7.2 ***ASM.*** *ASM has provided the Irrevocable Undertaking because certain funds managed by ASM are maturing and ASM is under a duty to provide the investors in such funds an opportunity to exit in an orderly manner. Further, certain investors in the ASM Concert Parties would prefer to have more liquidity by way of divesting certain illiquid holdings from the ASM Concert Parties. However, ASM continues to believe in the underlying value of TIH*

over the long term, and it is for such reason that the ASM Concert Parties (through ARL) are joining PAL in making the Offer. ASM also believes that the introduction of LCR (through PAL) as a shareholder with joint control of TIH will enhance the ability of TIH to source for investment opportunities, given LCR's extensive access and network to significant strategic players."

8. THE JOINT OFFERORS' INTENTIONS FOR THE COMPANY

8.1 **The Joint Offerors' intentions for the Company.** The full text stating the intentions of the Joint Offerors intentions for the Company has been extracted from section 8.1 of the Offer Document and reproduced below. **Shareholders are advised to read the extract below carefully**.

"***8.1 TIH****. The Joint Offerors and their Concert Parties intend for TIH to continue with its existing activities and have no intention to (i) introduce any major changes to the business of TIH, (ii) re-deploy TIH's fixed assets, (iii) affect the operations of any of its subsidiaries or (iv) discontinue the employment of any of the existing employees of TIH and its subsidiaries, other than in the ordinary course of business.*"

8.2 **Listing status and compulsory acquisition.** The full text stating the Joint Offeror's intentions relating to the listing status and compulsory acquisition of the Company has been extracted from section 8.2 of the Offer Document and reproduced below.

"***8.2 Listing Status.*** *It is the Joint Offerors' intention to retain the listing status of TIH on the SGX-ST. If Shares tendered in acceptance of the Offer result in TIH's free float falling below 10%, the ASM Concert Parties will place down such number of Shares held by them as will restore the required level of free float pursuant to the Listing Manual.*

8.3 Compulsory Acquisition. *With respect to:*

8.3.1 *Section 215(1) of the Companies Act (Cap. 50) of Singapore ("**Companies Act**"), BidCo will not be entitled to any right under such section to compulsorily acquire all the Shares from shareholders of TIH who have not accepted the Offer. This is because acceptances received by BidCo will not be more than or equal to 90% of all the issued Shares (not including treasury Shares), given that, as described in **Section 2.7**, ASM will procure the ASM Concert Parties to accept the Offer in respect of such number of ASM Shares as will result in BidCo holding 110,732,656 Shares, representing approximately 45.8% of all the issued Shares. Further, it is the intention of the Joint Offerors that BidCo will not be purchasing Shares from the open market or via off-market transactions during the Offer Period. Accordingly, the threshold of 90% of all the issued Shares (not including treasury Shares) will not be reached; and*

8.3.2 *Section 215(3) of the Companies Act, no shareholder of TIH will be entitled to any right under such section to require BidCo to compulsorily acquire its Shares. This is because, while the aggregate number of Shares held by BidCo and its Concert Parties (being PAL, LCR and the ASM Concert Parties) may, depending on the level of acceptances received by BidCo, be more than or equal to 90% of all the issued Shares (including treasury Shares), the aggregate number of Shares held by BidCo and its related corporations (being PAL and LCR, but not the ASM Concert Parties) will not be more than or equal to 90% of all the issued Shares (including treasury Shares) for the reasons set out in **Section 8.3.1** above and coupled with the fact that none of BidCo or its related corporations own any Shares as at the Announcement Date. Accordingly, the threshold of 90% of all the issued Shares (including treasury Shares) will not be reached.*"

9. DIRECTORS' INTERESTS

Details of the Directors including, amongst other things, the Directors' direct and deemed interests in the BidCo Securities and the Company Securities as at the Latest Practicable Date are set out in Appendix B to this Circular.

10. ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS

10.1 **IFA.** Shareholders should read and consider carefully the advice of the IFA to the Independent Directors on the Offer as contained in the IFA Letter and the Recommendation before deciding on whether to accept or reject the Offer. The IFA Letter is reproduced in Appendix A to this Circular.

10.2 **Evaluation of the Offer by the IFA.** In arriving at its advice, the IFA has taken into consideration several key facts, set forth in section 7 of the IFA Letter. Shareholders should read section 7 of the IFA Letter in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

10.3 **Advice of the IFA to the Independent Directors on the Offer.** After having regard to the considerations set out in the IFA Letter, an extract of which is reproduced below, and based on the circumstances of the Company and the information as at the Latest Practicable Date, the IFA has made certain recommendations to the Independent Directors. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"***8. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS***

In arriving at our recommendation in respect of the Offer to the Independent Directors, we have taken into account a range of factors which we consider, based on available information as at the Latest Practicable Date, to be pertinent and have significant bearing on our assessment of the Offer. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out the following key factors that we consider to be pertinent in our assessment of the fairness of the Offer, which relates to the value of the Offer Price compared against the value of the Company's Shares:

(a) Accepting Shareholders will not be receiving the Offer Price fully in cash on the settlement date for valid acceptances of their tendered Shares. Instead, they will receive S$0.125 to be paid in cash and S$0.445 (being the face amount of each Offeror Note) to be paid in the form of the Offeror Notes which is due three years from the close of the Offer and bears interest at a rate of 2.25% per annum, payable on each anniversary of the close of the Offer. If we were to discount the future cashflows from the Offeror Notes to their present values using the mean 3-year historical return of the Selected Bond Funds of 2.9% and the mean yield-to-maturity of the Selected Corporate Notes of 3.43% respectively, the effective Offer consideration will decrease to S$0.562 and S$0.555 respectively;

(b) The Offer Price represents a premium of 11.8%, 17.3%, 20.5% and 16.8% over the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month period up to the Unaffected Date respectively and a discount of 0.9% to the VWAP of the Shares for the period between the market day immediately after the Unaffected Date and up to the Offer Announcement Date;

(c) Although the Shares were regularly traded during the Period Under Review, trading liquidity of the Shares prior to the Offer Announcement was low as compared to the free float of the Company. It is generally accepted that the more actively traded the Shares, the greater reliance on market prices as a determination of the fair value of the Shares between willing buyers and willing sellers;

(d) The Offer Price of S$0.57 represents a premium of 9.0% over the latest unaudited NAV per Share of the Group of S$0.523 as at 30 September 2017, with an implied P/NAV ratio of 1.09 times. The P/NAV multiple implied by the Offer Price of 1.09 times is slightly higher than the average P/NAV multiple of the Shares for the 1-year period prior to the SGX Query of 1.04 times, but is significantly lower than the average P/NAV multiple of the Shares for the 3-year period up to the Offer Announcement Date of 1.33 times; and

(e) The Offer Price of S$0.57 represents a discount of approximately 14.8% to the Best Case NAV, which takes into account the potential upside to the Group's NAV assuming (i) the Company's investment in FCL is valued based on the last traded share price of OUE Limited and OUEHT as at the Latest Practicable Date and without ascribing any liquidity discount, and (ii) the tax liability in respect of the Past Tax Provisions does not materialise and is written back.

In assessing the reasonableness of the Offer, aside from our assessment on the underlying value of the Company's Shares, we have also considered the following key factors:

(a) In respect of the interest payable on the Offeror Notes of 2.25% per annum, we note that it appears low when compared to the mean and median historical 3-year returns of the Selected Bond Funds and yields-to-maturity of the Selected Corporate Notes respectively. In addition, Accepting Shareholders holding the Offeror Notes will be subject to certain risks as highlighted in Section 2.3 of the Offer Document;

(b) The premiums implied by the Offer Price is less favourable than the mean premiums over historical prices of the Selected Non-Privatisation GO Transactions, whilst being comparable only to the median of the corresponding premiums over the 3-month VWAP of the Selected Non-Privatisation GO Transactions. In terms of P/NTA multiple, the valuation of the Group as implied by the Offer Price is also less favourable as compared to the mean and median P/NTA multiples of the Selected Non-Privatisation GO Transactions, when we take into account the Best Case NAV of the Group;

(c) In the event that the Company and/or TIHT is successful in the appeal of the District Court Decision with respect to the Appraisal Proceedings and depending on the amount awarded to the Company and/or TIHT, there may potentially be a material positive impact on the Group's NAV;

(d) As the Joint Offerors and their Concert Parties already have majority control of the Company and the Offer is unconditional in all respects, the likelihood of a competing offer is remote;

(e) The Joint Offerors intend to retain the listing status of the Company on the SGX-ST and BidCo will hold 110,732,656 Shares immediately upon the close of the Offer, representing approximately 45.8% of all the issued Shares of the Company, regardless of the level of acceptances by Shareholders other than the ASM Concert Parties, in view of the Irrevocable Undertaking provided by ASM;

(f) ASM has provided the Irrevocable Undertaking because certain funds managed by ASM are maturing and ASM is under a duty to provide the investors in such funds an opportunity to exit in an orderly manner and certain investors in the ASM Concert Parties would prefer to have more liquidity by way of divesting certain illiquid holdings from the ASM Concert Parties; and

(g) Pursuant to the Offer, the Irrevocable Undertaking and the Consortium Agreement, LCR will be in a position to jointly control TIH together with ASM, as collectively, through the shareholdings that will be held by BidCo and the ASM Concert Parties, the Joint Offerors and their Concert Parties will hold a minimum shareholding interest of approximately 54.2% of all the issued Shares at the close of the Offer.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are not fair and not reasonable. Accordingly, we recommend the Independent Directors to recommend that Shareholders REJECT the Offer.

Shareholders who wish to realise their investments in the Company may also choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

Our opinion is addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Offer. The recommendation made by the Independent Directors to the Shareholders in relation to the Offer shall remain the responsibility of the Independent Directors.

In rendering our opinion and providing our recommendation, we did not have regard to the specific objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder and we neither assume any responsibility for, nor hold ourselves as advisers to any person other than the Independent Directors. As different Shareholders would have different investment profiles and objectives, we recommend that any Shareholder who may require specific advice in relation to his/her investment portfolio or objectives should consult his/her stock broker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately and not to rely upon our opinion as the sole basis for deciding whether or not to accept the Offer."

11. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

11.1 **Independence of Directors.** The following Directors are Non-Independent Directors for the reasons as set out below:

(a) Mr. Kin Chan, the Chairman and deemed executive director of the Company, is a director of ASM, ARF and HRF;

(b) Ms. Li Yick Yee Angie, a non-executive director of the Company, is a director of ASM, ARF and HRF; and

(c) Mr. Vince Feng, an independent director of the Company, is a director of ARF and HRF.

Accordingly, each of the Non-Independent Directors will face conflicts of interest in relation to the Offer that would render it inappropriate for him/her to join the Independent Directors in making a recommendation to the Shareholders in connection with the Offer.

The SIC had ruled on 8 December 2017 and 23 January 2018 that the Non-Independent Directors are exempted from making a recommendation to the Shareholders on the Offer.

Notwithstanding the above, all the Directors (including, for the avoidance of doubt, the Non-Independent Directors) are jointly and severally responsible for the accuracy of facts stated, opinions expressed and completeness of the information given by the Company to Shareholders on the Offer, including information contained in documents, announcements and advertisements issued by or on behalf of the Company in connection with the Offer.

11.2 **Independent Directors' Recommendation.** The Independent Directors, having considered carefully, amongst other things, the terms of the Offer and the advice given by the IFA in the IFA Letter, CONCUR with the IFA's assessment of the Offer and its recommendation thereon. Accordingly, the Independent Directors recommend that Shareholders REJECT the Offer or sell their Shares in the open market if they are able to obtain a price higher than the Offer Price (after deducting transaction costs).

SHAREHOLDERS ARE ADVISED TO READ THE IFA LETTER SET OUT IN APPENDIX A TO THIS CIRCULAR CAREFULLY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER. SHAREHOLDERS SHOULD NOTE THAT THE IFA'S OPINION SHOULD NOT BE RELIED UPON BY ANY SHAREHOLDER AS THE SOLE BASIS FOR DECIDING WHETHER OR NOT TO ACCEPT THE OFFER. SHAREHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT CAREFULLY.

The IFA and the Independent Directors, in giving their advice and making their Recommendation respectively, have not had regard to or considered the specific objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, any individual Shareholder who may require specific advice in respect of his investment portfolio or objectives should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

12.1 **Shareholders who DO NOT WISH TO ACCEPT the Offer.** Shareholders who do not wish to accept the Offer should take no further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

12.2 **Shareholder who WISH TO ACCEPT the Offer.** Shareholders who wish to accept the Offer must do so no later than 12.00 p.m. (Singapore time) on the Closing Date (except that acceptances of the Offer via Electronic Acceptances must be received not later than 5.30 p.m. (Singapore time) on 19 February 2018), abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 to the Offer Document, the FAA and/or the FAT.

13. OVERSEAS SHAREHOLDERS

13.1 **Overseas Shareholders.** The full text relating to Overseas Shareholders has been extracted from section 12 of the Offer Document and reproduced below.

"***12. OVERSEAS SHAREHOLDERS***

12.1 General. *The release, publication or distribution of this Offer Document, and the availability of the Offer, to Shareholders outside Singapore, may be affected by the laws of the relevant overseas jurisdictions. Accordingly, such Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions.*

12.2 Despatch of Offer Document and Acceptances. *As the Offer Price is payable in part by the Offeror Note (as opposed to wholly in cash), the Offer may be an offer for securities in respect of which a prospectus or similar offering document may be required to be registered under the laws and regulations of jurisdictions other than Singapore. As it is not reasonably practicable for BidCo to register a prospectus or similar offering document or otherwise comply with all applicable laws and regulations under all such other jurisdictions:*

12.2.1 *the Offer Document and Acceptance Forms will be despatched to Shareholders with either a mailing address or a corporate action mailing address in Singapore, as shown on the Register or, as the case may be, in the records of CDP ("**Singapore Shareholders**"); and*

12.2.2 *the Acceptance Forms will be accepted from Singapore Shareholders and Shareholders whose Acceptance Forms have a Singapore address endorsed on them.*

*The Offer Document and Acceptance Forms will not be despatched to Shareholders with neither a mailing address nor a corporate action mailing address in Singapore, as shown on the Register or, as the case may be, in the records of CDP ("**Overseas Shareholders**"), and Acceptance Forms without a Singapore address endorsed thereon will not be accepted, in each case subject to the relevant Shareholders showing, to the reasonable satisfaction of BidCo, that the return of the Acceptance Forms and the issue and despatch of the Offeror Notes to such Shareholders do not contravene any applicable laws and regulations.*

12.3 Purchases. *A person who becomes a Shareholder after 12 January 2018, the relevant date of determination of whether a Shareholder is a Singapore Shareholder or an Overseas Shareholder for the earliest despatch of the Offer Document, and who wishes for the Offer Document and Acceptance Forms to be despatched to it should have either a mailing address or corporate action mailing address in Singapore, as shown in the records of CDP, as at the date it purchases such Shares (as opposed to the date of settlement of the purchases).*

*This **Section 12.3** shall apply mutandis mutatis with respect to a Shareholder who holds Shares which are not deposited with CDP.*

12.4 Notice. *This Offer Document does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security, nor will there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable laws and regulations.*"

13.2 **Copies of this Circular.** This Circular will not be sent to Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nevertheless, obtain copies of this Circular during normal business hours up to the Closing Date from the offices of the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, download a copy of this Circular from the website of the SGX-ST at www.sgx.com, or make a request to the Share Registrar for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

It is the responsibility of any Overseas Shareholder who wishes to request this Circular and/or any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. In requesting for this Circular and/or any related documents the Overseas Shareholder represents and warrants to the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

14. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

The full text relating to CPFIS Investors and SRS Investors has been extracted from section 13.2 of the Offer Document and reproduced below.

"***13.2 Information Pertaining to CPFIS Investors and SRS Investors.*** *CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.*

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their respective CPF investment accounts and SRS investments accounts."

15. DIRECTORS' RESPONSIBILITY STATEMENT

15.1 The Directors (including those who have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Circular (other than in the IFA Letter and the Recommendation) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading, and they jointly and severally accept responsibility accordingly.

15.2 In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

15.3 The Recommendation set out in Section 11 of this Circular is the sole responsibility of the Independent Directors.

15.4 Where any information has been extracted or reproduced from the Offer Document or from published or publicly available sources (including, without limitation, in respect of the Company), the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

16. ADDITIONAL INFORMATION

The attention of Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully
For and on behalf of
TIH LIMITED

The Board of Directors

APPENDIX A: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF TIH LIMITED



TATA CAPITAL MARKETS PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200820715M)
8 Shenton Way #19-01 AXA Tower
Singapore 068811

5 February 2018

To: The Independent Directors of TIH Limited
(Directors deemed to be independent in respect of the Offer)

Wang Ya Lun Allen	(Deemed Executive Director)
Liong Tong Kap	(Lead Independent Director)
Thanathip Vidhayasirinun	(Independent Director)

Dear Sirs,

VOLUNTARY UNCONDITIONAL OFFER BY RHB SECURITIES SINGAPORE PTE. LTD., FOR AND ON BEHALF OF KAISER UNION LIMITED, FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF TIH LIMITED ("TIH" OR THE "COMPANY")

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 5 February 2018 ("**Circular**") issued by the Company (and together with its subsidiaries, "**Group**") to the shareholders of the Company ("**Shareholders**") shall have the same meaning herein.*

1. INTRODUCTION

On 22 March 2017, in response to queries from the SGX-ST on 21 March 2017 regarding the unusual price movements in the shares of the Company ("**SGX Query**"), the Company announced, *inter alia*, that it was aware that there are ongoing discussions on a potential transaction involving a change of control of the Company and that the price at which such transaction, if entered into, will likely be lower than the closing price per share in the Company of S$0.695 per share on 21 March 2017.

On 8 January 2018 ("**Offer Announcement Date**"), RHB Securities Singapore Pte. Ltd., for and on behalf of Kaiser Union Limited ("**Bidco**"), issued an announcement relating to the voluntary unconditional offer ("**Offer**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of the Company at a price of S$0.57 for each Share, as to which S$0.125 will be paid in cash and S$0.445 will be paid by the issue of a three-year senior unsecured 2.25% note issued at par by BidCo ("**Offeror Notes**"). BidCo is the bid vehicle for the Joint Offerors, namely Premier Asia Limited ("**PAL**") (an entity wholly-owned by Lippo China Resources Limited ("**LCR**")) and Alexandra Road Limited ("**ARL**") (an entity jointly-owned by funds managed by and including Argyle Street Management Limited ("**ASM**")).

On 22 January 2018, the formal Offer was made by RHB Securities Singapore Pte. Ltd., for and on behalf of BidCo, subject to the terms and conditions of the Offer as set out in the offer document dated 22 January 2018 ("**Offer Document**").

In connection with the Offer, Tata Capital Markets Pte. Ltd. ("**TCMPL**") has been appointed by the Company as the independent financial adviser ("**IFA**") to advise the directors of the Company who are considered independent in respect of the Offer ("**Independent Directors**"), for the purpose of making a recommendation to Shareholders in respect of the Offer ("**Recommendation**"). This letter ("**IFA Letter**") is addressed to the Independent Directors and sets out, *inter alia*, our views and assessment on the financial terms of the Offer and our opinion thereon, and forms part of the Circular to be despatched to Shareholders in relation to the Offer.

2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors on the financial terms of the Offer in compliance with the provisions of the Singapore Code on Take-overs and Mergers ("**Code**"). We have confined our evaluation to the financial terms of the Offer and we are not required to evaluate or comment on the commercial risk and/or merits (if any) of the Offer or the future prospects of the Company, and we have not made such evaluations or comments. Such evaluation or comment, if any, remains the responsibility of the directors ("**Directors**") and management ("**Management**") of the Company although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

We have not been instructed or authorized to solicit, and we have not solicited, any indication of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Offer. In this regard, we are not addressing the relative merits of the Offer as compared to any alternative transaction previously considered by the Company or which otherwise may have been available to the Company currently or in the future.

In the course of our evaluation, we have held discussions with the Directors, Management and/or their professional advisers and have examined and relied to a considerable extent on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and/or the professional advisers of the Company, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have relied on the assurance of the Directors (including those who have delegated detailed supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and opinions expressed in the Circular (other than in this IFA Letter and the Recommendation) are fair and accurate and that there are no other material facts not contained in the Circular, the omission of which would make any statement in the Circular misleading, and the Directors have jointly and severally accepted responsibility accordingly. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the reliability of the information.

We have not made any independent appraisal of the assets and liabilities of the Company and/or the Group and we have not been furnished with any such appraisal. As such, we will be relying on the disclosures and representations made by the Company on the values of the assets, liabilities and/or profitability of the Group. For the purposes of assessing the financial terms of the Offer, we have also not relied upon any financial projections or forecasts in respect of the Group.

Our views as set out in this IFA Letter are based upon the prevailing market, economic, industry and other conditions (if applicable) and our analysis of the information provided in the Offer Document and the Circular as well as information and representations provided to us by the Company and its representatives, as at 30 January 2018 ("**Latest Practicable Date**" or "**LPD**"). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to their consideration of the Offer, which may be released or published by or on behalf of the Company and/or the BidCo after the Latest Practicable Date.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer and their advice and recommendation to the Shareholders in respect thereof. The recommendations made to the Shareholders in relation to the Offer remain the responsibility of the Independent Directors.

Our opinion in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE OFFER

The Offer is made by BidCo in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Code and on terms and subject to conditions set out in the Offer Document. PAL and ARL, as Joint Offerors and parties acting in concert with the Joint Offerors in relation to the Offer ("**Concert Parties**"), have agreed to form a consortium pursuant to an agreement dated 8 January 2018 entered into between LCR and ASM to make the Offer and jointly decide on all matters with respect to the Offer.

The Offer will be extended to all the issued Shares ("**Offer Shares**"), including all the Shares owned, controlled or agreed to be acquired by the Concert Parties of the Joint Offerors.

As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises S$56,650,307.76 consisting of 241,685,638 Shares and the Company has no outstanding instruments convertible into, rights to subscribe for and options or derivatives in respect of, the Shares or securities carrying voting rights in the Company.

The principal terms of the Offer, as extracted from Section 2 and Appendix 1 to the Offer Document are set out below. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

3.1 Offer Price

As stated in Section 2.3 of the Offer Document, the Offer is made at S$0.57 for each Offer Share (the "**Offer Price**"), as to which:

(i) S$0.125 will be paid in cash; and

(ii) S$0.445 will be paid by the issue of up to S$49.3 million 2.25% Offeror Notes due three years from the close of the Offer ("Maturity Date").

The Offeror Notes constitute senior, unsecured and non-guaranteed obligations of BidCo and will bear interest at a rate of 2.25% per annum accruing from the issuance of the Offeror Notes until the Maturity Date, payable on each anniversary of the close of the Offer. The Offeror Notes will be repaid in full (together with all interest accrued and unpaid thereon) by BidCo on the Maturity Date of the Offeror Notes wholly in cash. Holders of the Offeror Notes will not be entitled to any dividends, rights, other distributions and return of capital ("**Distribution**"), whether in the nature of income or capital and whether in cash or in kind. The Offeror Notes will not be listed on any securities or stock exchanges.

As stated in the Offer Document, the Joint Offerors do not intend to revise the Offer Price, save that the Joint Offerors reserve the right to revise the terms of the Offer in accordance with the Code if an offer which is, or is deemed under the Code to be, competitive to the Offer ("**Competing Offer**") arises. Accordingly, unless otherwise announced by or on behalf of the Joint Offerors in the event of a Competing Offer, the Offer Price is final and will not be revised.

3.2 Rights and Encumbrances

The Offer Shares will be acquired (i) fully paid; (ii) free from all claims, charges, liens, mortgages, encumbrances, hypothecations, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distribution (if any) which may be announced, declared, paid or made by TIH on or after the Offer Announcement Date.

If any Distribution is announced, declared, paid or made by TIH on or after the Offer Announcement Date and the Joint Offerors are not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Offer Price payable in respect of such Offer Share will be reduced by the relevant amount of such Distribution.

3.3 Conditionality of the Offer

The Offer will be subject to the Joint Offerors, together with their Concert Parties, holding 50% + 1 of the Shares as at the close of the Offer. As the ASM Concert Parties already hold, as at the Offer Announcement Date, in aggregate, 130,952,982 Shares ("**ASM Shares**"), representing approximately 54.2% of all the issued Shares as at the Offer Announcement Date, the Offer will be unconditional from the outset.

The Offer will not be conditional on any other conditions.

3.4 Irrevocable Undertaking

ASM has given an irrevocable undertaking to BidCo that ASM will accept, and will procure the acceptance by the ASM Concert Parties of, such number of ASM Shares as will result in BidCo holding 110,732,656 Shares. ASM has agreed to limit its entitlement to accept the Offer such that any ASM Shares tendered by the ASM Concert Parties which would otherwise have resulted in BidCo holding in excess of 110,732,656 Shares will, to the extent so exceeding 110,732,656 Shares, not be treated as valid acceptances. As a result of the Irrevocable Undertaking, BidCo will hold 110,732,656 Shares, representing approximately 45.8% of all the issued Shares immediately following the close of the Offer.

In the event that Shares tendered in acceptance of the Offer result in TIH's free float falling below 10%, ASM will, and will procure the ASM Concert Parties to, place down such number of Shares held by them as will restore the required level of free float pursuant to the Listing Manual. Details of the Irrevocable Undertaking are set out in Section 2.7 of the Offer Document.

3.5 Duration of the Offer

The Offer is open for acceptance by Shareholders for a period of 29 days from the date of despatch of the Offer Document, unless the Offer is withdrawn with the consent of the Securities Industry Council of Singapore ("**SIC**") and every person is released from any obligation incurred thereunder.

Accordingly, the Offer will close at 12.00 p.m. (Singapore time) on 20 February 2018 ("Closing Date"), except that acceptances of the Offer via Electronic Acceptances must be received not later than 5.30 p.m. (Singapore time) on 19 February 2018. Notice was given in the Offer Document that the Offer will not be open for acceptance beyond 12.00 p.m. (Singapore time) on the Closing Date, save that such notice shall not be capable of being enforced in the event a Competing Offer arises. This means that, save in the event a Competing Offer arises, there will not be any extension of the Closing Date pursuant to Rule 22.6 of the Code and Shareholders who do not accept the Offer by the Closing Date will not be able to do so after the Closing Date.

3.6 Other Details of the Offer

Please refer to Appendix 1 and Appendix 2 to the Offer Document for the other details of the Offer on, *inter alia*, (i) when settlement is due for all Shareholders who validly accept the Offer ("**Accepting Shareholders**"); (ii) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and (iii) the procedures for acceptance of the Offer.

4. INFORMATION ON THE BIDCO AND THE JOINT OFFERORS

The information below on the BidCo and Joint Offerors have been obtained from the Offer Document. Please refer to Section 5 of the Offer Document and Appendices 3A, 3B and 3C to the Offer Document for the full details relating to the BidCo and the Joint Offerors.

BidCo

BidCo is a special purpose vehicle incorporated in the British Virgin Islands on 8 July 2016 for the purpose of undertaking the Offer. Its principal activity is that of investment holding. LCR, through PAL, holds 100% of the issued shares in BidCo.

PAL and LCR

PAL is a private company limited by shares incorporated in the British Virgin Islands on 10 May 2016. Its principal activity is that of investment holding. As at 15 January 2018, being the latest practicable date prior to the printing of the Offer Document ("**Offer Document LPD**"), PAL is an indirect wholly-owned subsidiary of LCR.

LCR is a company listed on The Stock Exchange of Hong Kong Limited. The principal activity of LCR is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, healthcare services, food business, property management, mineral exploration, extraction and processing, securities investment, treasury investment and money lending. LCR is owned approximately 74.99% by Lippo Limited, which is, in turn, ultimately controlled by Stephen Riady and James Tjahaja Riady.

ARL and ASM

As at the Offer Document LPD, ARL is held 0.4% by ASM, 48.6% by ARF, 13.2% by HRF and 37.8% by ASMV. ARF, HRF and ASMV are funds managed by ASM.

Founded in 2002, ASM is a privately owned asset management company which invests, on behalf of the funds it manages, primarily in special situations in Asia. Based in Hong Kong, ASM invests in special situations via public equity, fixed income, private equity, financing and property.

5. INFORMATION ON THE COMPANY

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 Company was incorporated in Singapore on 7 February 1994 and is a closed-end fund listed on the Main Board of the SGX-ST.

Further details on the Company are set out in Appendix B to the Circular.

6. RATIONALE FOR THE OFFER AND THE JOINT OFFERORS' INTENTIONS FOR TIH

The full text of the rationale for the Offer and the Joint Offerors' intentions for the Company have been extracted from Sections 7 and 8 of the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

*"**7. RATIONALE FOR THE OFFER***

7.1 ***LCR.*** *LCR and the Lippo group would like to expand their scope of business in securities and fund investments in Asia. TIH, as a well-established closed-end fund in Singapore which focuses in investments in various sectors in Asia, matches LCR and the Lippo group's strategy to expand their scope of business in securities and fund investments in Asia. As such, LCR and the Lippo group are of the view that the Offer is beneficial to the future business direction, management and operations of LCR and the Lippo group.*

7.2 ***ASM.*** *ASM has provided the Irrevocable Undertaking because certain funds managed by ASM are maturing and ASM is under a duty to provide the investors in such funds an opportunity to exit in an orderly manner. Further, certain investors in the ASM Concert Parties would prefer to have more liquidity by way of divesting certain illiquid holdings from the ASM Concert Parties. However, ASM continues to believe in the underlying value of TIH over the long term, and it is for such reason that the ASM Concert Parties (through ARL) are joining PAL in making the Offer. ASM also believes that the introduction of LCR (through PAL) as a shareholder with joint control of TIH will enhance the ability of TIH to source for investment opportunities, given LCR's extensive access and network to significant strategic players.*

8. JOINT OFFERORS' INTENTIONS FOR TIH

8.1 ***TIH.*** *The Joint Offerors and their Concert Parties intend for TIH to continue with its existing activities and have no intention to (i) introduce any major changes to the business of TIH, (ii) re-deploy TIH's fixed assets, (iii) affect the operations of any of its subsidiaries or (iv) discontinue the employment of any of the existing employees of TIH and its subsidiaries, other than in the ordinary course of business.*

8.2 ***Listing Status.*** *It is the Joint Offerors' intention to retain the listing status of TIH on the SGX-ST. If Shares tendered in acceptance of the Offer result in TIH's free float falling below 10%, the ASM Concert Parties will place down such number of Shares held by them as will restore the required level of free float pursuant to the Listing Manual.*

8.3 Compulsory Acquisition. *With respect to:*

8.3.1 *Section 215(1) of the Companies Act (Cap. 50) of Singapore ("**Companies Act**"), BidCo will not be entitled to any right under such section to compulsorily acquire all the Shares from shareholders of TIH who have not accepted the Offer. This is because acceptances received by BidCo will not be more than or equal to 90% of all the issued Shares (not including treasury Shares), given that, as described in **Section 2.7**, ASM will procure the ASM Concert Parties to accept the Offer in respect of such number of ASM Shares as will result in BidCo holding 110,732,656 Shares, representing approximately 45.8% of all the issued Shares. Further, it is the intention of the Joint Offerors that BidCo will not be purchasing Shares from the open market or via off-market transactions during the Offer Period. Accordingly, the threshold of 90% of all the issued Shares (not including treasury Shares) will not be reached; and*

8.3.2 *Section 215(3) of the Companies Act, no shareholder of TIH will be entitled to any right under such section to require BidCo to compulsorily acquire its Shares. This is because, while the aggregate number of Shares held by BidCo and its Concert Parties (being PAL, LCR and the ASM Concert Parties) may, depending on the level of acceptances received by BidCo, be more than or equal to 90% of all the issued Shares (including treasury Shares), the aggregate number of Shares held by BidCo and its related corporations (being PAL and LCR, but not the ASM Concert Parties) will not be more than or equal to 90% of all the issued Shares (including treasury Shares) for the reasons set out in **Section 8.3.1** above and coupled with the fact that none of BidCo or its related corporations own any Shares as at the Announcement Date. Accordingly, the threshold of 90% of all the issued Shares (including treasury Shares) will not be reached."*

7. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the financial terms of the Offer, we have given due consideration to, *inter alia*, the following key factors which we consider to have a significant bearing on our assessment of the Offer:

(a) composition of Offer Price;

(b) market quotation and trading liquidity of the Shares;

(c) net asset value ("**NAV**") of the Group;

(d) historical Price-to-NAV ("**P/NAV**") multiples of the Shares;

(e) comparison with recently completed non-privatisation take-over offers of companies listed on the SGX-ST; and

(f) other relevant considerations.

7.1 Composition of Offer Price

Accepting Shareholders should note that they will not be receiving the Offer Price fully in cash on the settlement date for valid acceptances of their tendered Shares. Instead, the Offer Price of S$0.57 comprises: (i) S$0.125 (or approximately 21.9% of the Offer Price) to be paid in cash and (ii) S$0.445 (or approximately 78.1% of the Offer Price) to be paid by the issue of the 2.25% Offeror Notes due three years from the close of the Offer. Further details on the Offeror Note are set out in Section 2.3 of the Offer Document and Appendix 7 to the Offer Document and Shareholders are advised to read the information set out therein carefully.

As a comparison and for illustration purpose, we have tabulated below: (i) 3-year historical annualized returns of selected SGD bonds/fixed income unit trust funds ("**Selected Bond Funds**") which focus on investing in corporate debt/fixed income securities in the Asia region; and (ii) the yields-to-maturity of tradeable SGD senior, unsecured and non-guaranteed corporate notes issued by non-listed entities with remaining duration of approximately three (3) years to maturity ("**Selected Corporate Notes**"), based on publicly available data as at the Latest Practicable Date, which is by no means exhaustive.

(I) Selected Bond Funds (Historical returns)

Name of Fund	3-year historical annualized returns [(1)] (% p.a.)
Allianz Flexi Asia Bond Class AM (H2-SGD) Dis.	2.5
Eastspring Investments – Asian Bond High Yield Bond Fund	4.6
Fullerton SGD Income Fund – Class B (SGD)	3.3
LionGlobal Asia Bond Fund SGD	2.5
Schroder Asian Investment Grade Credit Class A	(0.1)
United Asian Bond Fund	1.9
United Asian High Yield Bond Fund – Class SGD	5.9
Maximum	***5.9***
Minimum	***(0.1)***
Mean	***2.9***
Median	***2.5***

Source: Fundsupermart.com

Note:

(1) Based on offer-to-bid returns assuming normal sales charges applies and with any income or dividends reinvested.

(II) Selected Corporate Notes (Yields-to-maturity)

Security Name (as quoted on Bloomberg)	Issuer Name	Maturity Date	Yields-to-Maturity [(1)] (% p.a.)
PILLSP 8 1/2 11/16/20	Pacific International Lines Pte Ltd	16-Nov-20	8.38
KPLDSP 2.83 11/24/20	Keppel Land Ltd	24-Nov-20	2.40
BACR 0 01/04/21	Barclays Bank PLC	04-Jan-21	2.45
DB 4.1 02/14/21	Deutsche Bank AG/London	14-Feb-21	2.59
JTCSP 2.965 03/16/21	Ascendas Pte Ltd	16-Mar-21	2.30
CS 0 03/31/21	Credit Suisse AG/London	31-Mar-21	2.45
		Maximum	***8.38***
		Minimum	***2.30***
		Mean	***3.43***
		Median	***2.45***

Source: Bloomberg L.P.

Note:

(1) Based on the bid price yield-to-maturity, which is the expected annualized rate of return earned by an investor who buys the respective corporate note at the market bid price, assuming the corporate note will be held to maturity, and that all coupon and principal payments will be paid on schedule.

Based on the above, we note that the coupon rate for the Offeror Notes of 2.25% per annum appears low as it falls below both the mean and median 3-year historical annualized returns of the Selected Bond Funds, as well as below both the mean and median of the yields-to-maturity of the Selected Corporate Notes that are currently available to investors. It should also be noted that the Selected Corporate Notes are publicly tradeable, whilst the Offeror Notes will not be listed on any securities or stock exchange and there may not be a liquid market for the trading of the Offeror Notes.

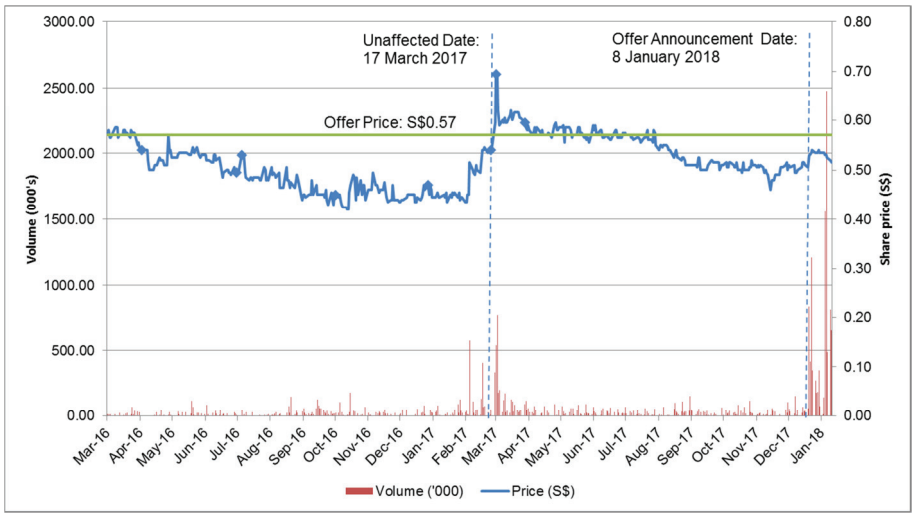
For illustration purposes, if we discount the future cashflows from the Offeror Notes to their present values using the mean 3-year historical return of the Selected Bond Funds of 2.9% and the mean yield-to-maturity of the Selected Corporate Notes of 3.43% respectively, the effective Offer consideration will decrease to S$0.562 and S$0.555 in the respective scenarios.

We wish to highlight that the above comparisons are purely for illustration purposes only and should not be construed as any form of investment advice, as each fund/corporate note are of varying characteristics and/or credit worthiness and may provide fundamentally different risk profiles as compared to that of the Offeror Notes. Shareholders should also note that the above expressed returns of the selected investment instruments as extracted from various sources should not be relied upon as promises of the future returns on such investment instruments.

In addition, Shareholders should note that there are risks inherent in the holding of the Offeror Notes and these risks are highlighted in Section 2.3 of the Offer Document.

7.2 Market Quotation and Trading Liquidity of the Shares

We set out below a chart showing the Offer Price relative to the daily closing prices and volume traded for the Shares for: (i) the 12-month period up to 17 March 2017 (the "**Unaffected Date**") (being the last full day of trading of the Shares on the SGX-ST prior to the unusual price movements in the Shares leading to the SGX Query on 21 March 2017); (ii) the period between the Unaffected Date and the Offer Announcement Date; and (iii) the period after the Offer Announcement Date up to the Latest Practicable Date ("**Period Under Review**").



Source: Bloomberg L.P.

Notes:

(1) Between 20 March 2017 and 21 March 2017, there was a significant increase in both the price and trading volume of the Shares, leading to the SGX Query on 21 March 2017.

(2) 21 March 2017 – SGX Query in connection with the unusual price movements in the Shares.

(3) 8 January 2018 – Release of the Offer Announcement.

We noted that the Shares have closed at or above the Offer Price on only 18 days out of a total of 254 market days during the 12-month period up to the Unaffected Date and was trading within a price range of S$0.405 to S$0.610. Between the Unaffected Date and the Offer Announcement Date, the Shares have closed at or above the Offer Price on 75 days out of a total of 202 market days and was trading within a price range of S$0.440 to S$0.770. The last traded Share price on 8 January 2018, prior to the release of the Offer Announcement was S$0.505. For the period commencing from 9 January 2018 (being the market day immediately after the Offer Announcement Date) till the Latest Practicable Date, the highest traded price of the Shares was S$0.550, which is approximately 3.5% lower than the Offer Price.

In addition to the share price chart above, we have also tabulated below selected statistical information on the share price performance and trading liquidity of the Shares for the Period Under Review:

Reference Period	VWAP[(1)] (S$)	Premium/ (Discount) of Offer Price over/(to) VWAP (%)	Highest transacted price (S$)	Lowest transacted price (S$)	Average daily trading volume[(2)] ('000)	Average daily trading volume as a % of free float[(3)] (%)
For the period up to the Unaffected Date						
Last 12-month	0.488	16.8%	0.610	0.405	25.9	0.029%
Last 6-month	0.473	20.5%	0.555	0.405	35.9	0.041%
Last 3-month	0.486	17.3%	0.555	0.410	44.9	0.051%
Last 1-month	0.510	11.8%	0.555	0.435	82.8	0.094%
Last transacted price as at 17 March 2017, being the Unaffected Date	0.545 [(4)]	4.6%	0.550	0.530	5.6	0.006%
After the Unaffected Date and up to the Offer Announcement Date						
After the Unaffected Date and up to the Offer Announcement Date	0.575	(0.9)%	0.770	0.440	42.2	0.048%
Last transacted price as at 8 January 2018, being the Offer Announcement Date	0.505 [(4)]	12.9%	0.510	0.500	61.6	0.070%
After the Offer Announcement Date and up to the Latest Practicable Date						
After the Offer Announcement Date and up to the Latest Practicable Date	0.529	7.8%	0.550	0.510	627.0	0.712%
As at the Latest Practicable Date	0.515 [(4)]	10.7%	0.515	0.510	655.8	0.744%

Source: Bloomberg L.P.

Notes:

(1) The volume weighted average price ("**VWAP**") is calculated based on the average daily VWAP turnover divided by aggregate daily VWAP volume for the respective periods as extracted from Bloomberg L.P.

(2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the relevant periods divided by the number of market days during that period ("**Total Market Days**").

(3) Free float refers to the Shares held by the public (as defined in the Listing Manual) which amounted to 88,098,296 Shares, representing 36.45% of the issued and paid-up share capital of the Company as at the Latest Practicable Date.

(4) Based on the last transacted price of the Shares on the respective dates.

Based on the above, we observed the following with regards to the share price performance of the Company for the Period Under Review:

(a) The Offer Price represents a premium of 4.6% over the last transacted price of the Shares of S$0.545 on the Unaffected Date, being the last full day of trading of the Shares prior to the unusual price movements of the Shares leading to the SGX Query on 21 March 2017;

(b) The Offer Price represents a premium of 11.8%, 17.3%, 20.5% and 16.8% over the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month period up to the Unaffected Date respectively;

(c) The Offer Price represents a discount of 0.9% to the VWAP of the Shares for the period between the market day immediately after the Unaffected Date and up to the Offer Announcement Date;

(d) The Offer Price represents a premium of 12.9% over the last transacted price of the Shares of S$0.505 on 8 January 2018, being the market day on which the Shares were last traded prior to the release of the Offer Announcement;

(e) The Offer Price represents a premium of 7.8% over the VWAP of the Shares for the period between the market day immediately after the Offer Announcement Date and up to the Latest Practicable Date; and

(f) The Offer Price represents a premium of 10.7% over the last transacted price of the Shares of S$0.515 on 30 January 2018, being the Latest Practicable Date.

We observed the following with regards to the trading liquidity of the Shares:

(i) Over the 12-month period up to the Unaffected Date, the Shares were regularly traded, with trade transactions on 217 days out of a total of 254 market days, albeit with low average daily trading volume of 25,894 Shares. The average daily trading volume of the Shares for the 1-month, 3-month, 6-month and 12-month period up to the Unaffected Date represents 0.094%, 0.051%, 0.041% and 0.029% of the free float of the Shares respectively;

(ii) During the period between the Unaffected Date and the Offer Announcement Date, the Shares were also regularly traded, with trade transactions on 186 days out of a total of 202 market days, albeit with low average daily trading volume of 42,234 Shares, representing 0.048% of the free float of the Shares; and

(iii) During the period between the Offer Announcement Date and the Latest Practicable Date, the Shares were traded on 16 days out of a total of 16 market days, with significantly higher average daily trading volume of 627,000 Shares, representing 0.712% of the free float of the Shares. The higher average daily trading volume subsequent to the Offer Announcement Date as compared to the 12-month period up to the Unaffected Date and the period between the Unaffected Date and the Offer Announcement Date may, *inter alia*, have been supported by the Offer Announcement and the Offer. As such, there is no assurance that the observed increase in the average daily trading volume will be maintained after the Offer closes.

Overall, we note that although the Shares were regularly traded during the Period Under Review, trading liquidity of the Shares prior to the Offer Announcement was low as compared to the free float of the Company. It is generally accepted that the more actively traded the Shares, the greater reliance on market prices as a determination of the fair value of the Shares between willing buyers and willing sellers.

We wish to highlight that the past trading performance of the Shares may not be relied upon as an indication or promise of its future trading performance.

7.3 NAV of the Group

Given that the nature of the Company's business is predominantly that of a closed-end private equity fund, we regard the NAV of the Group as being the more relevant indication of value vis-à-vis earning-based approach to valuation.

The main components of the latest available unaudited financial position of the Group as at 30 September 2017 are set out below:

	Unaudited As at 30 September 2017 (S$'000)
Non-current assets	97,230
Current assets	48,175
Non-current liabilities	-
Current liabilities	19,112
Net assets	**126,293**
Total equity	**126,293**
Non-controlling interests	-
NAV attributable to the owners of the Company	**126,293**
NAV / NTA per Share (S$)	**0.523**

Source: The Company's SGXNET announcement on 2 November 2017 in relation to its unaudited financial results for the period ended 30 September 2017.

As at 30 September 2017, the unaudited NAV attributable to the owners of the Company and the resultant NAV per Share of the Group were approximately S$126.3 million and S$0.523 respectively. As the Group does not have any intangible assets, the net tangible assets ("**NTA**") of the Group as at 30 September 2017 is the same as its NAV. The Offer Price of S$0.57 represents a premium of 9.0% above the latest unaudited NAV per Share of the Group of S$0.523, with an implied P/NAV ratio of 1.09 times.

The assets of the Group comprise mainly investments at fair value through profit or loss *(49.8%)*, available-for-sale investments *(17.0%)* and loan receivables *(25.7%)*, which in aggregate accounted for 92.6% of the total assets of the Group as at 30 September 2017. In this regard, we understand that the Group has an established control framework with respect to the measurement of fair values, which includes a valuation team that has overall responsibility for all significant fair value measurements.

7.3.1 Investments at fair value through profit or loss

As at 30 September 2017, investments at fair value through profit or loss amounted to approximately S$72.4 million (which include a past tax provision by a subsidiary of TIH, of approximately S$1.6 million ("**LR Tax Provision**"), in relation to the Group's divestment of a portfolio company) and pertain to the Group's investments held through its wholly owned subsidiaries, Little Rock Group Limited and Killian Court Pte. Ltd.. These subsidiaries are measured at fair value derived based on their NAVs and the Management believes that their NAVs approximates fair value as the subsidiaries are investment holding companies which hold mainly investments measured at fair value.

7.3.2 Available-for-sale investments and loan receivables

As at 30 September 2017, available-for-sale investments and loan receivables amounted to approximately S$62.1 million and relates to the Company's investments in Fortune Code Limited ("**FCL**") (comprising both equity and shareholder loans) and representing approximately 7.95% shareholding interest in FCL. FCL is an investment holding company that is majority controlled by the ultimate controlling shareholders of the Joint Offerors (i.e. Lippo group and ASM group) and whose sole investments (held through the direct and deemed interests of its wholly-owned subsidiaries Golden Concord Asia Limited and OUE Realty Pte. Ltd.), as at the Latest Practicable Date, comprise a deemed interest of 68.63% in the share capital of OUE Limited and a deemed interest of 38.21% in the share capital of OUE Hospitality Trust ("**OUEHT**") (which includes a deemed interest of 36.08% held through OUE Limited, the holding company of the REIT manager of OUEHT), both of which are listed on the SGX-ST.

Available-for-sale investments are measured at fair value based on their NAVs as they are investment holding companies which hold mainly investments measured at fair value. In this regard, the Management has informed that a discount for lack of marketability of 30% was applied to the value of its equity investment in FCL, in view that the Company only holds a minority interest in the unquoted equity securities of FCL and does not have control over FCL and that the estimated fair value of available-for-sale investments would increase if the liquidity discount was lowered or removed. In this regard, we note that the underlying investments of FCL are the quoted securities of OUE Limited and OUEHT. For illustration purpose, if the Company's equity investment in FCL is valued taking into account the last traded share price of OUE Limited and OUEHT as at the Latest Practicable Date and without ascribing any liquidity discount, the fair value of the Company's investment in the unquoted equity securities of FCL will amount to approximately S$42.1 million (as compared to its book value of S$24.8 million as at 30 September 2017), with a corresponding increase of approximately S$0.072 in the Group's NAV per Share.

7.3.3 Liabilities of the Group

As at 30 September 2017, the liabilities of the Group comprise mainly an amount of approximately S$16.2 million which was set aside as a provision for potential tax and related expenses in relation to the Group's divestment of a portfolio company (together with the LR Tax Provision mentioned in Section 7.3.1 of this IFA Letter, shall be referred herein as the "**Past Tax Provisions**"). The Company has confirmed that the required filings on the transaction were made to the relevant tax authorities. The Past Tax Provisions have been made since 2010 and up to the Latest Practicable Date, the Group has not received any notification from the relevant tax authorities in relation to the transaction. In the event the tax liability does not materialise and the Past Tax Provisions are subsequently written back, this will result in a corresponding increase in the Group's NAV per Share of approximately S$0.074.

7.3.4 Best Case NAV

As such, in a scenario where (i) the Company's equity investment in FCL is valued taking into account the last traded share price of OUE Limited and OUEHT as at the Latest Practicable Date and without ascribing any liquidity discount, and (ii) the tax liability in respect of the Past Tax Provisions does not materialise, the NAV per Share of TIH could potentially increase to S$0.669 ("**Best Case NAV**" or "**BNAV**").

The Offer Price of S$0.57 represents a discount of approximately 14.8% to the BNAV per Share of the Group of S$0.669, with an implied Price-to-BNAV ("**P/BNAV**") ratio of 0.85 times.

Shareholders should note that the above analysis on the Group's NAV/BNAV is meant as an illustration and may not necessarily reflect the value of the Group as a going concern and that there is no assurance that the net assets of the Group may actually be fully realisable at such values.

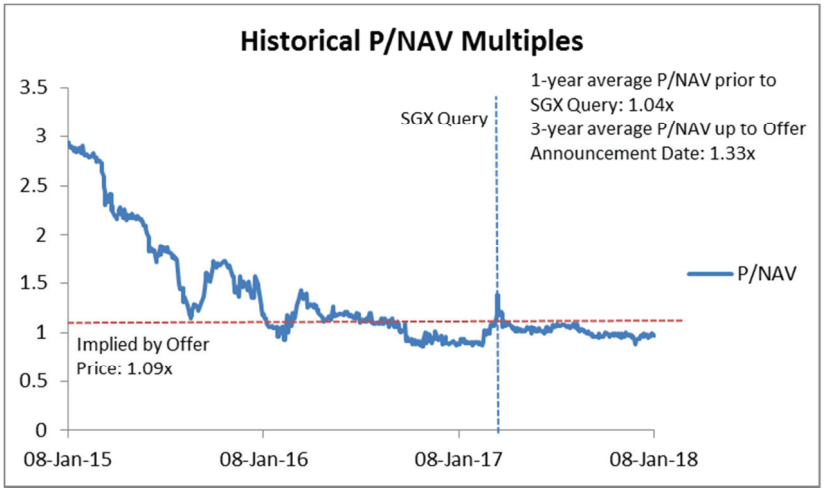
In respect of the above analysis, we have sought the following confirmations from the Directors and the Management, and they have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

(a) save for the factors discussed above relating to the Company's investment in FCL and the Past Tax Provisions, there are no material differences between the realisable values of the Group's assets and liabilities and their respective book values as at 30 September 2017 which are likely to have a material impact on the NAV of the Group; and

(b) other than those already provided for in the Group's latest announced unaudited financial statements or disclosed in the Circular and the Company's SGXNET announcements, there are no material contingent liabilities or contingent benefits, post balance sheet events, bad or doubtful debts or unrecorded assets or liabilities which could have a material impact on the NAV of the Group.

7.4 Historical P/NAV multiples of the Shares

We have also compared the P/NAV multiple of the Shares implied by the Offer Price against the historical P/NAV multiples of the Shares over the 3-year period leading up to the Offer Announcement Date.



Source: Bloomberg L.P.

Based on the above, we note that the P/NAV multiple of 1.09 times as implied by the Offer Price is:

(a) slightly higher than the average P/NAV multiple of the Shares for the 1-year period prior to the SGX Query of 1.04 times; and

(b) lower than the average P/NAV multiple of the Shares for the 3-year period up to the Offer Announcement Date of 1.33 times.

7.5 Comparison with recently completed non-privatisation take-over offers of companies listed on the SGX-ST

We note that it is the Joint Offerors' intention to retain the listing status of the Company on the SGX-ST. In assessing the reasonableness of the Offer in light of the above stated intention of the Joint Offerors, we have compared the financial terms of the Offer with selected recently completed take-over offers of companies listed on SGX-ST, which were announced since January 2016 and wherein the offerors had indicated their intentions to preserve the listing status of the target companies ("**Selected Non-Privatisation GO Transactions**"). The data used in the table and the companies listed below have been compiled from publicly available information as at the Latest Practicable Date and the list of companies involved in the Selected

Non-Privatisation GO Transactions (the "**Selected Take-over Companies**") are by no means exhaustive.

We wish to highlight that the Selected Take-over Companies may not be directly comparable to TIH in terms of, *inter alia*, market capitalisation, size and scale of operations, business activities, geographical spread, track record, financial performance, capital structure, risk profile, accounting policies, future prospects and other relevant criteria. In addition, the premium (if any) that an offeror pays in any particular take-over varies in different specific circumstances depending on, *inter alia*, factors such as the potential synergy the offeror can gain by acquiring the target, prevailing market conditions and sentiments, attractiveness of the target's business and assets, liquidity in the trading of the target company's shares and the existing and desired level of control in the target company. Accordingly, each of the Selected Non-Privatisation GO Transaction should be judged on its own commercial and financial merits and any comparison made herein is for illustrative purposes only.

		Premium over / (Discount to)			
Selected Take-over Companies	**Date of announcement**	**Last transacted price prior to announcement (%)**	**1-month VWAP prior to announcement (%)**	**3-month VWAP prior to announcement (%)**	**P/NTA[1]** (times)
Abundance International Limited	24-Mar-2016	72.4	65.6	67.2	1.3
British and Malayan Trustees Limited ("**BMT**")	13-May-2016	(60.3) [2]	n.a. [3]	n.a. [3]	1.1
Ellipsiz Ltd	7-Jul-2016	5.6	7.7	9.6	0.7
Halcyon Agri Corporation Limited	18-Jul-2016	18.1 [4]	12.8 [4]	17.1 [4]	3.3 [5]
Healthway Medical Corporation Limited	7-Feb-2017	1.3	8.9	15.0	0.7 [6]
International Healthway Corporation Limited	16-Feb-2017	0.0	14.0	20.5	1.1 [7]
CMC Infocomm Limited	7-May-2017	18.8	34.6	30.5	1.7
Cityneon Holdings Limited ("**Cityneon**")	12-May-2017	(5.4) [8]	0.6 [8]	3.9 [8]	3.2 [9]
BRC Asia Limited	30-May-2017	33.1 [10]	30.3 [10]	35.3 [10]	0.8 [11]
United Engineers Limited	13-Jul-2017	7.9 [12]	11.5 [12]	12.8 [12]	0.9 [13]
Blumont Group Ltd. ("**Blumont**")	24-Aug-2017	(81.8) [18]	(87.9) [18]	(86.0) [18]	0.6 [14]
Mary Chia Holdings Limited	24-Aug-2017	68.2	93.0 [18]	96.1 [18]	2.8 [15]
New Wave Holdings Ltd.	19-Oct-2017	44.4	38.0	9.0	0.9 [16]
TMC Education Corporation Ltd.	15-Dec-2017	68.8	50.0	29.8	1.5 [17]
	Mean	***27.8***	***24.9***	***22.8***	***1.5***
	Median	***18.5***	***14.0***	***17.1***	***1.1***
	Maximum	***72.4***	***93.0***	***96.1***	***3.3***
	Minimum	***(81.8)***	***(87.9)***	***(86.0)***	***0.6***
TIH Limited (as implied by the Offer Price)		***4.6*** [19]	***11.8*** [19]	***17.3*** [19]	***(i)1.1 / (ii)0.9*** [20]

Source: SGX-ST announcements and/or circulars to shareholders in relation to the respective transactions

Notes:

(1) P/NTA refers to the price-to-NTA ratio (or in certain cases, P/NAV ratio) implied by the offer price as disclosed in the respective circulars, rounded to 1 decimal place. Certain Selected Non-Privatisation GO Transactions involved revaluations and/or adjustments to the assets of the target companies which may have a material impact on their latest announced book values, as disclosed in the respective circulars. In such cases, we have compared the offer price to the revalued NTA/NAV ("**RNTA**" / "**RNAV**") or adjusted NTA/NAV disclosed in the circular, as applicable.

(2) Based on the closing price on 26 October 2015 and excluded from the computation of the mean and median.

(3) "n.a." denotes not applicable as no trades were done in the 1-month and 3-month period prior to the announcement date.

(4) Premiums are based on offer price and share prices prior to the company's announcement on the possibility of Sinochem purchasing a controlling stake in the company.

(5) Based on NAV of the group as at 31 March 2016.

(6) Based on NAV of the group as at 31 December 2016.

(7) Based on RNTA of the group as at 30 September 2016.

(8) Discounts/premiums are based on offer price and share prices prior to the pre-conditional announcement on the offer on 12 May 2017.

(9) Based on NAV of the group as at 31 December 2016.

(10) Premiums are based on offer price and share prices prior to the Company's holding announcement on 31 May 2017.

(11) Based on RNAV of the group as at 30 June 2017.

(12) Premiums are based on offer price and share prices prior to joint announcement by OCBC and Great Eastern Holdings Limited on 26 September 2016 announcing, *inter alia*, that they are reviewing strategic options with respect to their combined stakes in United Engineers Limited.

(13) Based on RNTA of the group as at 30 June 2017.

(14) Based on RNTA of the group as at 30 June 2017.

(15) Based on RNAV of the group as at 31 March 2017.

(16) Based on RNTA of the group as at 30 September 2017.

(17) Based on Adjusted NTA of the group as at 30 June 2017.

(18) Excluded as statistical outliers from the computation of the mean and median.

(19) Premiums are based on Offer Price and share prices prior to and up to the Unaffected Date of 17 March 2017.

(20) Based on the P/BNAV as set out in further details in Section 7.3.4 of this IFA Letter.

Based on the above, we note the following:

(a) save for the case of BMT, Cityneon and Blumont, the offer prices of all the other Selected Non-Privatisation GO Transactions are at a premium over the last transacted market prices prior to the respective announcements and the VWAPs for the 1-month and 3-month periods prior to the respective announcements;

(b) the premium implied by the Offer Price over the last transacted price of the Shares as at the Unaffected Date of 4.6% is within the range but below the mean and median of the corresponding premiums of the Selected Non-Privatisation GO Transactions;

(c) the premium implied by the Offer Price over the 1-month VWAP of the Shares prior to and up to the Unaffected Date of 11.8% is within the range but below the mean and median of the corresponding premiums of the Selected Non-Privatisation GO Transactions;

(d) the premium implied by the Offer Price over the 3-month VWAP of the Shares prior to and up to the Unaffected Date of 17.3% is within the range and slightly above the median but below the mean of the corresponding premiums of the Selected Non-Privatisation GO Transactions; and

(e) the P/NTA ratio of the Group of 1.1 times as implied by the Offer Price is within the range and equivalent to the median P/NTA ratio of the Selected Non-Privatisation GO Transactions but below the mean P/NTA ratio of the Selected Non-Privatisation GO Transactions. The P/BNAV of 0.9 times as implied by the Offer Price is below the mean and median P/NTA ratio of the Selected Non-Privatisation GO Transactions.

In summary, the premiums implied by the Offer Price is less favourable than the mean premiums over historical prices of the Selected Non-Privatisation GO Transactions, whilst being comparable only to the median of the corresponding premiums over the 3-month VWAP of the Selected Non-Privatisation GO Transactions. In terms of P/NTA multiple, the valuation of the Group as implied by the Offer Price is also less favourable as compared to the mean and median P/NTA multiples of the Selected Non-Privatisation GO Transactions, when we take into account the Best Case NAV of the Group.

7.6 Other Relevant Considerations

7.6.1 Material Litigation

We note that as at the Latest Practicable Date, save as disclosed in the announcements released by the Company on SGXNET dated 11 January 2018 and 30 January 2018 in connection with the proceedings for an appraisal ("**Appraisal Proceedings**") with respect to the Company's indirect interest (held through TIHT Investment Holdings Pte. Ltd. ("**TIHT**")) of approximately 7.64% in Mitsui Life Insurance Company Limited, neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially affect the financial position of the Group taken as a whole.

In respect of the Appraisal Proceedings, we note that the Tokyo District Court has ruled against the arguments raised by TIHT (the "**District Court Decision**"), details of which are set out in the Company's announcement dated 30 January 2018, and that the Company and TIHT are considering the possibility of seeking an appeal of the District Court Decision. Even if the Company chooses to appeal the District Court Decision, it should be noted that there is no assurance or certainty as to whether the Company and/or TIHT will prevail in such appeal, when there will be finality on the outcome of such appeal and, even if the Company and/or TIHT were to prevail in such appeal, the amount that may be awarded to the Company and/or TIHT. Depending on the final outcome of an appeal, the potential amount that the Company may receive could range from zero to S$165 million, before taxes, fees and expenses. Accordingly, we have not taken into consideration the potential impact of the Appraisal Proceedings in arriving at the Best Case NAV of the Group, but noted that in the event the Company and/or TIHT is successful in the appeal of the District Court Decision and depending on the amount awarded to the Company and/or TIHT, there may potentially be a material positive impact on the Group's NAV.

7.6.2 Likelihood of Competing Offers

As at the Offer Document LPD, the Joint Offerors and their Concert Parties own or control approximately 54.2% of the total number of Shares of the Company. As the Joint Offerors and their Concert Parties already have majority control of the Company and the Offer is unconditional in all respects, the likelihood of a competing offer is remote. The Joint Offerors have stated that, unless otherwise announced by or on behalf of the Offeror in the event of a Competing Offer, the Offer Price is final and will not be revised.

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by BidCo, no alternative offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Offer Shares from any third party.

7.6.3 Joint Offerors' Intentions for TIH and the Irrevocable Undertaking

We note that it is the Joint Offerors' intention to retain the listing status of the Company on the SGX-ST and that BidCo will not be purchasing Shares from the open market or via off-market transactions during the Offer period. In the event that Shares tendered in acceptance of the Offer result in TIH's free float falling below 10%, ASM will, and will procure the ASM Concert Parties to, place down such number of Shares held by them as will restore the required level of free float pursuant to the Listing Manual.

In view of the Irrevocable Undertaking given by ASM as described in Section 3.4 of this IFA Letter, BidCo will be holding 110,732,656 Shares, representing approximately 45.8% of all the issued Shares of the Company, at the close of the Offer. Accordingly, BidCo will not be entitled to any right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer, as acceptances received by BidCo will not be more than or equal to 90% of all the issued Shares (not including treasury Shares). In

addition, as stated in Section 8.3.2 of the Offer Document, no shareholder of TIH will be entitled to any right under Section 215(3) of the Companies Act to require BidCo to compulsorily acquire its Shares, as the aggregate number of Shares held by BidCo and its related corporations (being PAL and LCR, but not the ASM Concert Parties) will not be more than or equal to 90% of all the issued Shares (including treasury Shares).

We further note that ASM has provided the Irrevocable Undertaking because certain funds managed by ASM are maturing and ASM is under a duty to provide the investors in such funds an opportunity to exit in an orderly manner and that certain investors in the ASM Concert Parties would prefer to have more liquidity by way of divesting certain illiquid holdings from the ASM Concert Parties.

7.6.4 Implications of the Change in Control

Pursuant to the Offer, the Irrevocable Undertaking and the Consortium Agreement, LCR will be in a position to jointly control TIH together with ASM, as collectively, through the shareholdings that will be held by BidCo and the ASM Concert Parties, the Joint Offerors and their Concert Parties will hold a minimum shareholding interest of approximately 54.2% of all the issued Shares at the close of the Offer. Further, within 12 months of the close of the Offer, BidCo and the Joint Offerors may transfer Shares amongst themselves (or their respective nominees) so as to reach a desired level of shareholding percentage in TIH for BidCo and each Joint Offeror and such transfers, if made, will be made at the Offer Price and on the same terms as the Offer. The SIC has confirmed that neither the Joint Offerors nor BidCo will incur an obligation to make a mandatory general offer for TIH pursuant to such transfers.

The Joint Offerors and their Concert Parties have stated that they intend for TIH to continue with its existing activities and have no intention to (i) introduce any major changes to the business of TIH, (ii) re-deploy TIH's fixed assets, (iii) affect the operations of any of its subsidiaries or (iv) discontinue the employment of any of the existing employees of TIH and its subsidiaries, other than in the ordinary course of business. Further, it is stated in Section 7.2 of the Offer Document that ASM believes that the introduction of LCR (through PAL) as a shareholder with joint control of TIH will enhance the ability of TIH to source for investment opportunities, given LCR's extensive access and network to significant strategic players.

8. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS

In arriving at our recommendation in respect of the Offer to the Independent Directors, we have taken into account a range of factors which we consider, based on available information as at the Latest Practicable Date, to be pertinent and have significant bearing on our assessment of the Offer. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out the following key factors that we consider to be pertinent in our assessment of the fairness of the Offer, which relates to the value of the Offer Price compared against the value of the Company's Shares:

(a) Accepting Shareholders will not be receiving the Offer Price fully in cash on the settlement date for valid acceptances of their tendered Shares. Instead, they will receive S$0.125 to be paid in cash and S$0.445 (being the face amount of each Offeror Note) to be paid in the form of the Offeror Notes which is due three years from the close of the Offer and bears interest at a rate of 2.25% per annum, payable on each anniversary of the close of the Offer. If we were to discount the future cashflows from the Offeror Notes to their present values using the mean 3-year historical return of the Selected Bond Funds of 2.9% and the mean yield-to-maturity of the Selected Corporate Notes of 3.43% respectively, the effective Offer consideration will decrease to S$0.562 and S$0.555 respectively;

(b) The Offer Price represents a premium of 11.8%, 17.3%, 20.5% and 16.8% over the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month period up to the Unaffected Date respectively and a discount of 0.9% to the VWAP of the Shares for the period between the market day immediately after the Unaffected Date and up to the Offer Announcement Date;

(c) Although the Shares were regularly traded during the Period Under Review, trading liquidity of the Shares prior to the Offer Announcement was low as compared to the free float of the Company. It is generally accepted that the more actively traded the Shares, the greater reliance on market prices as a determination of the fair value of the Shares between willing buyers and willing sellers;

(d) The Offer Price of S$0.57 represents a premium of 9.0% over the latest unaudited NAV per Share of the Group of S$0.523 as at 30 September 2017, with an implied P/NAV ratio of 1.09 times. The P/NAV multiple implied by the Offer Price of 1.09 times is slightly higher than the average P/NAV multiple of the Shares for the 1-year period prior to the SGX Query of 1.04 times, but is significantly lower than the average P/NAV multiple of the Shares for the 3-year period up to the Offer Announcement Date of 1.33 times; and

(e) The Offer Price of S$0.57 represents a discount of approximately 14.8% to the Best Case NAV, which takes into account the potential upside to the Group's NAV assuming: (i) the Company's investment in FCL is valued based on the last traded share price of OUE Limited and OUEHT as at the Latest Practicable Date and without ascribing any liquidity discount; and (ii) the tax liability in respect of the Past Tax Provisions does not materialise and is written back.

In assessing the reasonableness of the Offer, aside from our assessment on the underlying value of the Company's Shares, we have also considered the following key factors:

(a) In respect of the interest payable on the Offeror Notes of 2.25% per annum, we note that it appears low when compared to the mean and median historical 3-year returns of the Selected Bond Funds and yields-to-maturity of the Selected Corporate Notes respectively. In addition, Accepting Shareholders holding the Offeror Notes will be subject to certain risks as highlighted in Section 2.3 of the Offer Document;

(b) The premiums implied by the Offer Price is less favourable than the mean premiums over historical prices of the Selected Non-Privatisation GO Transactions, whilst being comparable only to the median of the corresponding premiums over the 3-month VWAP of the Selected Non-Privatisation GO Transactions. In terms of P/NTA multiple, the valuation of the Group as implied by the Offer Price is also less favourable as compared to the mean and median P/NTA multiples of the Selected Non-Privatisation GO Transactions, when we take into account the Best Case NAV of the Group;

(c) In the event the Company and/or TIHT is successful in the appeal of the District Court Decision with respect to the Appraisal Proceedings and depending on the amount awarded to the Company and/or TIHT, there may potentially be a material positive impact on the Group's NAV;

(d) As the Joint Offerors and their Concert Parties already have majority control of the Company and the Offer is unconditional in all respects, the likelihood of a competing offer is remote;

(e) The Joint Offerors intend to retain the listing status of the Company on the SGX-ST and BidCo will hold 110,732,656 Shares immediately upon the close of the Offer, representing approximately 45.8% of all the issued Shares of the Company, regardless of the level of acceptances by Shareholders other than the ASM Concert Parties, in view of the Irrevocable Undertaking provided by ASM;

(f) ASM has provided the Irrevocable Undertaking because certain funds managed by ASM are maturing and ASM is under a duty to provide the investors in such funds an opportunity to exit in an orderly manner and certain investors in the ASM Concert

Parties would prefer to have more liquidity by way of divesting certain illiquid holdings from the ASM Concert Parties; and

(g) Pursuant to the Offer, the Irrevocable Undertaking and the Consortium Agreement, LCR will be in a position to jointly control TIH together with ASM, as collectively, through the shareholdings that will be held by BidCo and the ASM Concert Parties, the Joint Offerors and their Concert Parties will hold a minimum shareholding interest of approximately 54.2% of all the issued Shares at the close of the Offer.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are not fair and not reasonable. Accordingly, we recommend the Independent Directors to recommend that Shareholders REJECT the Offer.

Shareholders who wish to realise their investments in the Company may also choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

Our opinion is addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Offer. The recommendation made by the Independent Directors to the Shareholders in relation to the Offer shall remain the responsibility of the Independent Directors.

In rendering our opinion and providing our recommendation, we did not have regard to the specific objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder and we neither assume any responsibility for, nor hold ourselves as advisers to any person other than the Independent Directors. As different Shareholders would have different investment profiles and objectives, we recommend that any Shareholder who may require specific advice in relation to his/her investment portfolio or objectives should consult his/her stock broker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately and not to rely upon our opinion as the sole basis for deciding whether or not to accept the Offer.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Independent Directors, nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purpose of the Offer.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of
TATA CAPITAL MARKETS PTE. LTD.

Wayne Lee Chin Ing
CEO & Executive Director
Head of Corporate Finance

Foo Say Nam
Senior Vice President
Head of Execution, Regulatory Advisory

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Kin Chan	c/o 137 Telok Ayer Street, #03-07, Singapore 068602	Chairman, Deemed Executive Director
Wang Ya Lun Allen	c/o 137 Telok Ayer Street, #03-07, Singapore 068602	Deemed Executive Director
Li Yick Yee Angie	c/o 137 Telok Ayer Street, #03-07, Singapore 068602	Non-Executive Director
Vince Feng	c/o 137 Telok Ayer Street, #03-07, Singapore 068602	Independent Director
Liong Tong Kap	c/o 137 Telok Ayer Street, #03-07, Singapore 068602	Lead Independent Director
Thanathip Vidhayasirinun	c/o 137 Telok Ayer Street, #03-07, Singapore 068602	Independent Director

2. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 7 February 1994 and is a closed-end fund listed on the Main Board of the SGX-ST. Its registered office is at 137 Telok Ayer Street, #03-07, Singapore 068602. The Company was formerly known as Transpac Industrial Holdings Limited and changed its name to TIH Limited in April 2014.

The Company invests primarily in companies located in Asia including principally China/Hong Kong SAR, Taiwan, Singapore, Malaysia, Thailand, Indonesia and Japan.

3. SHARE CAPITAL

3.1 Issued Shares

The Company only has one (1) class of shares, being ordinary shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises S$56,650,307.76 consisting of 241,685,638 Shares.

As at the Latest Practicable Date, there has been no issue of new Shares by the Company since 31 December 2017, such date being the end of the previous financial year of the Company. The Shares carry equal ranking rights to dividends, voting at general meetings and return of capital. As at the Latest Practicable Date, the Company has no treasury shares.

3.2 Convertible Securities

As at the Latest Practicable Date, the Company has no outstanding instruments convertible into, rights to subscribe for and options or derivatives in respect of, the Shares or securities carrying voting rights in the Company.

3.3 Rights of Shareholders in respect of capital, dividends and voting rights

The rights of Shareholders in respect of capital, dividends and voting rights are contained in the Constitution. For ease of reference, selected texts of the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting rights have been reproduced in Appendix C to this Circular.

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in BidCo Securities

As at the Latest Practicable Date, neither the Company nor its subsidiaries has any direct or indirect interests in the BidCo Securities.

4.2 Dealings in BidCo Securities by the Company

Neither the Company nor its subsidiaries has dealt in the BidCo Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3 Interests of Directors in BidCo Securities

As at the Latest Practicable Date, none of the Directors has any direct or indirect interests in the BidCo Securities.

4.4 Dealings in BidCo Securities by Directors

None of the Directors has dealt for value in the BidCo Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.5 Interests of Directors in Company Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has an interest, direct or indirect, in the Company Securities.

	Direct Interest as at the Latest Practicable Date		Deemed Interest as at the Latest Practicable Date	
Name	**No. of Shares**	**%**	**No. of Shares**	**%[1]**
Director				
Mr. Kin Chan	–	–	129,011,216[2]	53.38
Ms. Li Yick Yee Angie	–	–	129,011,216[2]	53.38

Notes:

(1) Based on the total issued Shares as at the Latest Practicable Date.

(2) Mr. Kin Chan and Ms. Li Yick Yee Angie are deemed interested through bodies corporate in which they each have controlling interests.

4.6 Dealings in Company Securities by Directors

None of the Directors has dealt in the Company Securities during the period commencing three (3) months prior to Offer Announcement Date and ending on the Latest Practicable Date.

4.7 Interests of the IFA in Company Securities

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Company Securities.

4.8 Dealings in Company Securities by the IFA

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, has dealt for value in the Company Securities during the period commencing three (3) months prior to Offer Announcement Date and ending on the Latest Practicable Date.

4.9 **Directors' Intentions in respect of the Offer**

As at the Latest Practicable Date, none of the Directors have direct interests in the Shares.

5. ARRANGEMENTS WITH DIRECTORS

5.1 **Directors' service contracts**

As at the Latest Practicable Date, there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries which have more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation. In addition, there are no such service contracts entered into or amended between any Director or proposed director with the Company or any of its subsidiaries during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.2 **Arrangements affecting Directors**

As at the Latest Practicable Date:

(a) there are no payments or other benefits to be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

(b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and

(c) save as disclosed in the Offer Document, there are no material contracts entered into by BidCo in which any of the Directors has a material personal interest, whether direct or indirect.

6. MATERIAL CONTRACTS

Neither the Company nor any of its subsidiaries has entered into any material contracts with interested persons[1] (other than those entered into in the ordinary course of business) during the period commencing three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

[1] As defined in the Note to Rule 24.6 read with the Note on Rule 23.12 of the Code, an interested person is:

(a) a director, chief executive officer, or substantial shareholder of the Company;

(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the Company;

(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;

(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;

(e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or

(f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

7. FINANCIAL INFORMATION

7.1 Consolidated profit and loss account

Set out below is certain financial information extracted from the annual reports of the Company for FY2014, FY2015 and FY2016, and from the 9M2017 Results. The financial information for FY2014, FY2015 and FY2016 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual reports of the Company for FY2014, FY2015 and FY2016, and the financial information for 9M2017 should be read in conjunction with the 9M2017 Results and the accompanying notes as set out in the financial statements.

	Unaudited 9M2017	Audited FY2016	Audited FY2015	Audited FY2014
	S$'000	S$'000	S$'000	S$'000
Revenue	4,328	17,926	13,384	4,858
Exceptional items	–	–	–	–
Net profit before tax	1,226	12,930	9,513	591
Net profit after tax	1,226	12,930	9,514	591
Non-controlling interests	–	–	–	–
Net earnings per share				
- Basic (S$ cents)	0.51	5.35	3.94	0.25
- Diluted (S$ cents)	0.51	5.35	3.94	0.25

The following is a summary of the dividend per Share declared in respect of each of FY2014, FY2015 and FY2016. This information was extracted from the annual reports of the Company for FY2014, FY2015 and FY2016.

	Final exempt one-tier dividend per Share	Interim exempt one-tier dividend per Share
	(S$)	(S$)
In respect of FY2016	0.01	–
In respect of FY2015	–	–
In respect of FY2014	–	–

The audited consolidated statement of financial position of the Group for FY2016 is set out below. The summary set out below should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual report of the Company for FY2016.

	Audited FY2016 S$'000
Assets	
Current assets	
Cash and cash equivalents	23,086
Other receivables	1,098
Loan receivable	31,499
	55,683
Non-current assets	
Investments	
- At fair value through profit or loss	69,393
- Available-for-sale	17,768
- Subsidiary	–
	87,161
Loan receivable	–
Property, plant and equipment	36
	87,197
Total assets	142,880
Liabilities	
Current liabilities	
Other payables	18,234
Derivatives	2
Convertible bonds	4,153
	22,389
Non-current liabilities	
Convertible bonds	–
Total liabilities	22,389
Net assets	120,491
Equity attributable to owners of the Company	
Share capital	56,650
Retained earnings	56,238
Capital reserves	556
Fair value reserve	7,047
Total equity	120,491

Copies of the annual reports of the Company for FY2014, FY2015 and FY2016 are available for inspection at the Company's registered office at 137 Telok Ayer Street, #03-07, Singapore 068602 during normal business hours from the date of this Circular up to the Closing Date.

7.2 **Material changes in financial position**

Save as disclosed in any information on the Group which is publicly available (including without limitation, the announcements released by the Group on the SGX-ST), there have been no material changes to the financial position of the Group since 31 December 2016, being the date of the last audited accounts of the Group laid before the Shareholders in general meeting.

7.3 **Significant accounting policies**

The significant accounting policies of the Group which are disclosed in note 3 to the audited consolidated financial statements of the Group for FY2016 as set out in the annual report of the Company for FY2016 and are reproduced in Appendix D of this Circular.

7.4 **Changes in accounting policies**

As at the Latest Practicable Date, there is no change in the accounting policies of the Company which will cause the figures disclosed in this Circular not to be comparable to a material extent.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in the announcements released by the Company on SGXNET dated 11 January 2018 and 30 January 2018 in connection with the appraisal with respect to the Company's indirect interest in Mitsui Life Insurance Company:

(a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially affect the financial position of the Group taken as a whole; and

(b) the Directors are not aware of any proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the financial position of the Group taken as a whole.

9. GENERAL

9.1 **Costs and Expenses**

All costs and expenses incurred by the Company in respect of the Offer will be borne by the Company.

9.2 **Consent**

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter setting out its advice to the Independent Directors set out in Appendix A of this Circular and all references thereto, in the form and context in which they appear in this Circular.

9.3 **Documents available for inspection**

Copies of the following documents are available for inspection at the registered office of the Company at 137 Telok Ayer Street, #03-07, Singapore 068602 during normal business hours from the date of this Circular up to and including the Closing Date:

(a) the Constitution;

(b) the annual reports of the Company for FY2014, FY2015 and FY2016;

(c) the IFA Letter; and

(d) the letter of consent referred to in Section 9.2 of this Appendix B.

APPENDIX C: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

The rights of Shareholders in respect of capital, dividends and voting rights are contained in the Constitution, the relevant provisions of which are set out below.

Please see the definitions in the Constitution for terms used in the reproduced in the extract below.

1. The rights of Shareholders in respect of capital

SHARES

9. (1) Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire its shares including ordinary or preference shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. If required by the Act, all shares purchased by the Company shall unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On cancellation of the shares aforesaid, the rights and privileges attached to those shares shall expire.

(2) Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register of Members as the member holding the treasury shares.

(3) The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in such manner as may be permitted by, and in accordance with, the Act.

10. Save to the extent permitted by the Act, none of the funds of the Company or of any subsidiary thereof shall be directly or indirectly employed in the purchase or subscription of or in loans upon the security of the Company's shares (or its holding company, if any) and the Company shall not, except as authorised by the Act give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).

11. Subject to the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 54, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:-

(i) no Director shall participate in any issue of shares to employees unless the Members in General Meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity;

(ii) the rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution; and

(iii) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 54(1) with such adaptations as are necessary shall apply.

12. The Company may issue shares for which no consideration is payable to the Company.

13. (1) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Exchange upon which shares in the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.

(2) The Company shall also have power to issue further preference shares ranking equally with, or in priority to, preference shares from time to time already issued.

(3) The total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares.

14. If at any time the share capital of the Company is divided into different classes, the repayment of preference capital other than redeemable preference capital and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. Provided always that where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the General Meeting shall be as valid and effectual as a Special Resolution carried at the General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

15. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

16. Subject to the Act, the Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in one way and partly in the other.

17. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up (except treasury shares) and may charge the same to capital as part of the cost of the construction or provision.

18. (1) Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the

person whose name is entered in the Depository Register in respect of that share. Nothing contained in these Articles concerning or relating to the Depository or the Depository Agents or Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company or in response to a notice pursuant to Section 137F of the Securities and Futures Act or any note made by the Company of any particulars in such notification or response shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or the Depository Agents or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust.

(2) Shares may be registered in the name of an incorporated company or other corporate body.

19. (1) The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors, trustees or administrators of the estate of a deceased Member.

(2) If two or more persons are registered as joint holders of any share any one of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares.

(3) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such persons shall be deemed notice to all the joint holders.

20. No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or joint holder of the entirety of such share.

21. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.

22. The certificate of title to shares or debentures in the capital of the Company shall be issued under the Seal in such form as the Directors shall from time to time prescribe and may bear the autographic or facsimile signatures of at least two Directors, or by one Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, and shall specify the number and class of shares to which it relates, the amount (if any) unpaid thereon and whether the shares are fully or partly paid-up. The facsimile signatures may be reproduced by mechanical, electronic or other means prescribed by the Directors from time to time. No certificate shall be issued representing shares of more than one class.

23. (1) Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within 10 Market Days of the final closing date for an issue of shares, or such other period as may be approved by any stock exchange upon which shares in the Company may be listed. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

(2) Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within 10 Market Days after lodgement of any transfer. Every Member shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S$2. Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificates or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding S$2 for each such new certificate as the Directors may determine.

(3) Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

(4) If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a fee not exceeding S$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Exchange upon which shares in the Company may be listed.

(5) In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders.

24. (1) Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S$1 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

(2) When any shares under the powers in these Articles herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

TRANSFER OF SHARES

25. Subject to these Articles, any Member may transfer all or any of his shares but every transfer must be in writing and in the form for the time being approved by the Exchange. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers in the form approved by the Exchange.

26. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall not be ineffective by reason of it not being signed or witnessed for by or on behalf of the Depository. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members.

27. No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.

28. (1) There shall be no restriction on the transfer of fully paid up shares except where required by law or by the rules, bye-laws or listing rules of the Exchange but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall give notice to both the transferor, the transferee and the lodging party written notice of their refusal to register the transfer and the precise reasons therefor within 10 Market Days after the date when the transfer was lodged with the Company.

(2) The Directors may decline to register any instrument of transfer unless:

(i) such fee not exceeding S$2 as the Directors may from time to time require, is paid to the Company in respect thereof;

(ii) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(iii) the instrument of transfer, accompanied by a certificate of payment of stamp duty (if any), is deposited at the Office or at such other place (if any) as the Directors appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(iv) the instrument of transfer is in respect of only one class of shares.

29. (1) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

(2) The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall be conclusively presumed in the favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed and was a valid instrument and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. PROVIDED that:-

(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this Article; and

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

30. The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine, provided always that such register shall not be closed for more than thirty days in any year. Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange, stating the period and purpose or purposes for which the closure is made.

31. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

32. Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

TRANSMISSION OF SHARES

33. (1) In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors, trustees or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him.

(2) In the case of the death of a Member who is a Depositor, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder and where such legal representatives are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interests in the shares; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him.

34. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.

35. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to General Meetings of the Company until he shall have been registered as a Member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share. The Directors may at the time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (where the person entered in the Register of Members as the registered holder of a share is the Depository), entered in the Depository Register or to transfer the share and if the notice is not complied with within sixty days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

36. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share, such fee not exceeding S$2 as the Directors may from time to time require or prescribe.

CALL ON SHARES

37. The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

38. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

39. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding twelve per cent per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

40. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

41. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments.

42. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in General Meeting eight per cent per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.

FORFEITURE AND LIEN

43. If any Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

44. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

45. If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

46. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, reallotment or disposition the forfeiture or surrender may be cancelled on such terms, as the Directors think fit. To give effect to any such sale, the Directors may, if necessary authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.

47. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with the interest thereon at twelve per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of shares and the Directors may waive payment of such interest either wholly or in part.

48. The Company shall have a first and paramount lien on every share (not being a fully paid share) whether solely or jointly with others and on the dividends declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such calls or instalments are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

49. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.

50. The net proceeds of sale, whether of a share forfeited by the Company or of a share over which the Company has a lien, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the unpaid calls and accrued interest and expenses and the residue (if any) paid to the Member entitled to the share at the time of sale or his executors, trustees, administrators or assignees or as he may direct.

51. A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under Seal for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share or (as the case may be) in the Depository Register in respect of the shares and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re- allotment or disposal of the share.

ALTERATION OF CAPITAL

52. The Company in General Meeting may from time to time by Ordinary Resolution issue new shares.

53. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be

given as the Directors shall determine; subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

54. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Exchange, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

(2) Notwithstanding Article 54(1), the Company may subject to the Act and the listing rules of the Exchange by Ordinary Resolution in General Meeting give to the Directors a general authority, whether unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:-

(a) (i) issue shares 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 of the Company 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.

(b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares of the Company in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided always that:

(I) the aggregate number of shares of the Company to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;

(II) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and this Constitution; and

(III) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, whichever is the earliest.

(3) Notwithstanding Article 54(1) above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

55. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of these Articles with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

56. The Company may by Ordinary Resolution at a General Meeting alter its share capital in the manner permitted by law:-

(i) consolidate and divide all or any of its shares;

(ii) cancel the number of shares which, at the date of the passing of the resolution, have been forfeited and diminish its share capital in accordance with the Act;

(iii) subdivide its shares or any of them provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived, and so that the resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

(iv) subject to the provisions of the Act, convert its share capital or any class of shares from one currency to another currency.

57. The Company may by Special Resolution, subject to the provisions of these presents and the Act, convert any class of shares into any other class of shares.

58. The Company may by Special Resolution reduce its share capital account and any other undistributable reserve in any manner as may be authorised by the law.

STOCK

59. The Company may by Ordinary Resolution at a General Meeting convert any paid up shares into capital stock and may from time to time by like resolution reconvert any stock into paid up shares.

60. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine.

61. The holders of stock shall, according to the number of stock units held by them have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of stock units which would not if existing in shares have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

62. All provisions of these Articles applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expression herein shall include "stock" or "stockholder".

2. The rights of Shareholders in respect of voting rights:

GENERAL MEETINGS

63. (1) Save as otherwise permitted under the Act, the Company shall in each year hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint, and such Annual General Meeting shall be held in Singapore if so required by the listing rules of the Exchange.

(2) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

64. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

65. (1) Subject to the provisions of the Act as to calling of General Meetings at short notice, at least fourteen days' notice in writing (exclusive of the day on which the notice is served or deemed to be served and of the day on which the General Meeting is to be held) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company and at least fourteen days' notice of such General Meeting shall be given by advertisement in the daily press and in writing to each stock exchange on which the Company is listed. Where notices contain Special Resolutions, they must be given to Members and such persons entitled to receive the notice at least twenty-one days before the General Meeting (exclusive of the day on which the notice is served or deemed to be served and of the day on which the General Meeting is to be held),

Provided that a General Meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed:-

(i) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and

(ii) in the case of an Extraordinary General Meeting by that number or majority in number of the Members having a right to attend and vote thereat as is required by the Act.

(2) The accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting.

66. (1) Every notice calling a General Meeting shall specify the place and the day and hour of the General Meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company.

(2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(3) In the case of any General Meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

67. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

(i) declaring dividends;

(ii) reading, considering and adopting the financial statements and if required, the balance-sheet, the Directors' statement and Auditors' report, and other accounts and documents required to be annexed to the financial statements;

(iii) appointing or re-appointing Auditors and fixing the remuneration of Auditors or determining the manner in which such remuneration is to be fixed; and

(iv) electing or re-electing Directors in place of those retiring by rotation or otherwise and fixing the remuneration of the Directors.

All other business to be transacted at any General Meeting of the Company shall be deemed to be special business.

68. Any notice of a General Meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

69. No business shall be transacted at any General Meeting unless a quorum is present at the time the General Meeting proceeds to business. Save as herein otherwise provided, two Members present in person shall form a quorum. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member.

70. If within half an hour from the time appointed for the General Meeting a quorum is not present, the General Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned General Meeting a quorum is not present within half an hour from the time appointed for holding the General Meeting, the General Meeting shall be dissolved.

71. The Chairman of the Directors or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every General Meeting. If there is no such Chairman or Deputy Chairman or if at any General Meeting he is not present within fifteen minutes after the time appointed for holding the General Meeting or is unwilling to act, the Members present shall choose some Director to be Chairman of the General Meeting or, if no Director is present or if all the Directors present decline to take the chair, some Member present to be Chairman.

72. The Chairman may, with the consent of any General Meeting at which a quorum is present (and shall if so directed at the General Meeting), adjourn the General Meeting from time to time and from place to place, but no business shall be transacted at any adjourned General Meeting except business which might lawfully have been transacted at the General Meeting from which the adjournment took place. When a General Meeting is adjourned for thirty days or more, notice of the adjourned General Meeting shall be given as in the case of the original General Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.

73. At any General Meeting a resolution put to the vote of the General Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

(i) by the Chairman (being a person entitled to vote thereat); or

(ii) by at least five Members present in person, by attorney, by proxy, or in the case of a corporation by a representative and entitled to vote at the General Meeting or any combination of at least five such Members or proxies; or

(iii) by any Member or Members present in person, by attorney, by proxy, or in the case of a corporation by a representative, or any number or combination of such Members or proxies, holding or representing (as the case may be) not less than 5% of the total voting rights of all the Members having the right to vote at the General Meeting; or

(iv) by a Member or Members present in person, by attorney, by proxy, or in the case of a corporation by a representative, or any number or combination of such Members or proxies, holding or representing (as the case may be) shares in the Company conferring a right to vote at the General Meeting, being shares on which an aggregate sum has been paid up equal to not less than 5% of the total sum paid up on all the shares conferring that right,

Provided always that if required by the listing rules of any stock exchange upon which the shares of the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such stock exchange).

A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

74. Where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the General Meeting. The Chairman may (and, if required by the listing rules of any stock exchange upon which the shares of the Company may be listed or if so requested by the General Meeting, shall) appoint scrutineers and may adjourn the General Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

75. If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.

76. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

77. A poll on the election of a Chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the General Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.

78. The demand for a poll shall not prevent the continuance of a General Meeting for the transaction of any business, other than the question on which the poll has been demanded.

VOTES OF MEMBERS

79. (1) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 9, each Member entitled to vote at a General Meeting may vote in person or by proxy or by attorney or in the case of a corporation by a representative.

On a show of hands every Member who is present in person or by attorney or by proxy or in the case of a corporation by a representative shall have one vote provided that (i) if a Member who is not a relevant intermediary is represented by two proxies, only one of the two proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the Chairman (or by a person authorised by him) in his sole discretion, shall vote on a show of hands and (ii) if a Member who is a relevant intermediary is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

On a poll, every Member who is present in person or by proxy or by attorney or in the case of a corporation by a representative shall have one vote for each share which he holds or represents.

For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours (or such other time specified in Section 81SJ of the Securities and Futures Act) before the time of the relevant General Meeting as certified by the Depository to the Company.

(2) The Investment Manager, any of its connected persons and any director of the Company and any director of the Investment Manager are prohibited from voting their own shares at, or being part of a quorum for, any General Meeting to approve any matter which it has a material interest in the business to be conducted.

80. Where there are joint registered holders of any share anyone of such persons may vote and be reckoned in a quorum at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one of such joint holders is so present at any General Meeting then the person present whose name stands first in the Register of Members in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

81. A Member who is mentally disordered and incapable of managing himself or his affairs or whose person or estate is liable to be dealt with in any way under the law relating to mental disorders may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than 72 hours before the time appointed for holding the General Meeting.

82. Subject to the provisions of these Articles, every Member either personally or by attorney or in the case of a corporation by a representative and every proxy shall be entitled to be present and to vote at any General Meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. PROVIDED that where a Member is a Depositor, the Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name is shown in the Depository Register maintained by the Depository at a time not earlier than 72 hours (or such other time specified in Section 81SJ of the Securities and Futures Act) prior to the time of the relevant General Meeting (the "cut-off time") as a Depositor on whose behalf the Depository holds shares in the Company, and then only in respect of such shares as standing to the credit of his Securities Account as at the cut-off time in the records of Depository (as supplied by Depository to the Company); and the Company shall be entitled then to deem each such Depositor, or each attorney, proxy, or representative of such Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at the cut-off time, according to the records of Depository as supplied by Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares specified by the Depositor in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between two (2) proxies the aggregate number of shares specified by the Depositor in the instruments of proxy, and the true balance standing to the Securities Account of a Depositor as at the time of the aforesaid.

83. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered and every vote not disallowed at such General Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the General Meeting whose decision shall be final and conclusive.

84. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

3. The rights of Shareholders in respect of dividends

DIVIDENDS AND RESERVES

133. The Directors may, with the sanction of the Company, by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company.

134. Subject to any right or restriction attached to any share or class of shares and except as otherwise permitted under the Act:

(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

135. If, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit.

136. (1) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:-

(i) the basis of any such allotment shall be determined by the Directors;

(ii) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;

(iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

(iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 148, the Directors shall (a) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

(2) (i) The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

(ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down or whereby the benefit of the fractional entitlements accrues to the Company rather than the Members).

(3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.

(4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlement of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

(5) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (1) of this Article.

137. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

138. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company.

139. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith.

140. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

141. The Directors may retain the dividends payable on shares in respect of which any person is under these Articles, as to the transmission of shares, entitled to become a Member, or which any person under these Articles is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

142. (1) The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof nor shall the relevant Member be entitled to any interest thereby accruing. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share or revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depository returns any such dividend or money to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or money against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other money was first payable.

(2) A payment by the Company to the Depository of any dividend or other money payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

143. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Directors shall give effect to such Resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

144. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct. PROVIDED that where the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or

joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

145. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without the obligations on the Company to take into account any arrangement or agreement inter se in respect of such dividend of transferors and transferees of any such shares.

146. The Directors shall have the power to determine the point of time at which the Members of the Company are entitled to dividends (whether final or interim, declared or to be declared), bonus shares or rights that have been resolved or are to be resolved, shall be determined.

RESERVES

147. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund, any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it not prudent to divide.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

148. The Directors may with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 54(2)):-

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:-

(i) the date of Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 54(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-

(i) the date of Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 54(2)) such other date as may be determined by the Directors

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

149. (1) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 148, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(2) In addition and without prejudice to the powers provided for by Articles 148 and 149(1), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or noncumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.

TIH Limited

Statements of Financial Position

As at 31 December 2016

	Note	Group		Company	
		2016	2015	**2016**	2015
		$'000	$'000	**$'000**	$'000
Assets					
Current assets					
Cash and cash equivalents	4	**23,086**	18,722	**20,551**	15,010
Other receivables	5	**1,098**	4,544	**907**	4,338
Loan receivable	6	**31,499**	–	**31,499**	–
		55,683	23,266	**52,957**	19,348
Non-current assets					
Investments					
- At fair value through profit or loss	7	**69,393**	59,855	**69,393**	59,855
- Available-for-sale	8	**17,768**	10,721	**17,768**	10,721
- Subsidiary	9	**–**	–	**5,000**	5,000
		87,161	70,576	**92,161**	75,576
Loan receivable	6	**–**	28,964	**–**	28,964
Property, plant and equipment	10	**36**	63	**–**	–
		87,197	99,603	**92,161**	104,540
Total assets		**142,880**	122,869	**145,118**	123,888
Liabilities					
Current liabilities					
Other payables	11	**18,234**	18,290	**17,612**	17,439
Derivatives	12	**2**	33	**2**	33
Convertible bonds	13	**4,153**	–	**4,153**	–
		22,389	18,323	**21,767**	17,472
Non-current liabilities					
Convertible bonds	13	**–**	4,032	**–**	4,032
Total liabilities		**22,389**	22,355	**21,767**	21,504
Net assets		**120,491**	100,514	**123,351**	102,384
Equity attributable to owners of the Company					
Share capital	14	**56,650**	56,650	**56,650**	56,650
Retained earnings		**56,238**	43,308	**59,098**	45,178
Capital reserve	15	**556**	556	**556**	556
Fair value reserve	15	**7,047**	–	**7,047**	–
Total equity		**120,491**	100,514	**123,351**	102,384

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

TIH Limited

Consolidated Statement of Profit or Loss

Year ended 31 December 2016

	Note	Group	
		2016	2015
		$'000	$'000
Dividends from subsidiaries		**14,956**	10,549
Net gain on disposal of investments		**–**	2,029
Net change in fair value of investments at fair value through profit or loss		**(390)**	4,559
Net change in fair value of derivative financial instruments		**(12)**	(324)
Interest income from loan receivable		**2,535**	999
Impairment losses		**–**	(4,743)
Net gains from investments		**17,089**	13,069
Other operating income		**837**	315
Total investment income		**17,926**	13,384
Finance income		**59**	100
Finance costs		**(401)**	(150)
Net finance costs	19	**(342)**	(50)
Operating expenses		**(4,654)**	(3,821)
Profit before tax		**12,930**	9,513
Income tax	20	**–**	1
Profit for the year attributable to owners of the Company	21	**12,930**	9,514
Earnings per share			
Basic earnings per share (cents)	22(a)	**5.35**	3.94
Diluted earnings per share (cents)	22(b)	**5.35**	3.94

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

TIH Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2016

	Group	
	2016	2015
	$'000	$'000
Profit for the year	**12,930**	9,514
Other comprehensive income/(deficit)		
Items that are or may be reclassified subsequently to profit or loss:		
Net change in fair value of available-for-sale investments	**7,047**	(7,846)
Net change in fair value on disposal of available-for-sale investments reclassified to profit or loss	**–**	(274)
Tax on items that are or may be reclassified subsequently to profit or loss	**–**	–
Other comprehensive income/(deficit) for the year, net of tax	**7,047**	(8,120)
Total comprehensive income for the year attributable to owners of the Company	**19,977**	1,394

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

TIH Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2016

	Note	Share capital $'000	Capital reserve (Note 15) $'000	Fair value reserve (Note 15) $'000	Retained earnings $'000	Total $'000
Group						
2016						
At 1 January 2016		56,650	556	–	43,308	100,514
Total comprehensive income for the year						
Profit for the year		–	–	–	12,930	12,930
Other comprehensive income						
Net change in fair value of available-for-sale investments		–	–	7,047	–	7,047
Tax on other comprehensive income		–	–	–	–	–
Total other comprehensive income, net of tax		–	–	7,047	–	7,047
Total comprehensive income for the year		–	–	7,047	12,930	19,977
Transactions with owners, recognised directly in equity						
Dividends declared	16	–	–	–	–	–
At 31 December 2016		56,650	556	7,047	56,238	120,491

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

	Note	Share capital $'000	Capital reserve (Note 15) $'000	Fair value reserve (Note 15) $'000	Retained earnings $'000	Total $'000
Group						
2015						
At 1 January 2015		56,650	556	8,120	33,794	99,120
Total comprehensive income for the year						
Profit for the year		–	–	–	9,514	9,514
Other comprehensive deficit						
Net change in fair value of available-for-sale investments		–	–	(7,846)	–	(7,846)
Net change in fair value on disposal of available-for-sale investments reclassified to profit or loss		–	–	(274)	–	(274)
Tax on other comprehensive deficit		–	–	–	–	–
Total other comprehensive deficit, net of tax		–	–	(8,120)	–	(8,120)
Total comprehensive income for the year		–	–	(8,120)	9,514	1,394
Transactions with owners, recognised directly in equity						
Dividends declared	16	–	–	–	–	–
At 31 December 2015		56,650	556	–	43,308	100,514

TIH Limited

Statement of Changes in Equity

Year ended 31 December 2016

	Note	Share capital $'000	Capital reserve (Note 15) $'000	Fair value reserve (Note 15) $'000	Retained earnings $'000	Total $'000
Company						
2016						
At 1 January 2016		56,650	556	–	45,178	102,384
Total comprehensive income for the year						
Profit for the year		–	–	–	13,920	13,920
Other comprehensive income						
Net change in fair value of available-for-sale investments		–	–	7,047	–	7,047
Tax on other comprehensive income		–	–	–	–	–
Total other comprehensive income, net of tax		–	–	7,047	–	7,047
Total comprehensive income for the year		–	–	7,047	13,920	20,967
Transactions with owners, recognised directly in equity						
Dividends declared	16	–	–	–	–	–
At 31 December 2016		56,650	556	7,047	59,098	123,351

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

	Note	Share capital $'000	Capital reserve (Note 15) $'000	Fair value reserve (Note 15) $'000	Retained earnings $'000	Total $'000
Company						
2015						
At 1 January 2015		56,650	556	8,120	34,824	100,150
Total comprehensive income for the year						
Profit for the year		–	–	–	10,354	10,354
Other comprehensive deficit						
Net change in fair value of available-for-sale investments		–	–	(7,846)	–	(7,846)
Net change in fair value on disposal of available-for-sale investments reclassified to profit or loss		–	–	(274)	–	(274)
Tax on other comprehensive deficit		–	–	–	–	–
Total other comprehensive deficit, net of tax		–	–	(8,120)	–	(8,120)
Total comprehensive income for the year		–	–	(8,120)	10,354	2,234
Transactions with owners, recognised directly in equity						
Dividends declared	16	–	–	–	–	–
At 31 December 2015		56,650	556	–	45,178	102,384

TIH Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Profit for the year		**12,930**	9,514
Adjustments for:			
Income tax credit		**–**	(1)
Interest income from deposits		**(59)**	(100)
Interest income from loan receivable		**(2,535)**	(999)
Dividends/distributions from subsidiaries		**(14,956)**	(10,549)
Depreciation on property, plant and equipment		**41**	43
Loss on disposal of property, plant and equipment		**–**	1
Interest expense on financial liabilities measured at amortised cost		**121**	117
Net change in fair value of investments at fair value through profit or loss		**390**	(4,559)
Net change in fair value of derivative financial instruments		**12**	324
Impairment losses		**–**	4,743
Unrealised exchange loss		**123**	111
		(3,933)	(1,355)
Changes in operating assets and liabilities			
Investments		**(9,928)**	(18,067)
Other receivables		**(56)**	(585)
Other payables		**(177)**	486
Cash used in operations		**(14,094)**	(19,521)
Dividends/distributions from subsidiaries		**18,455**	7,050
Net interest received		**62**	100
Settlement of derivatives		**(43)**	(664)
Income tax paid		**–**	–
Net cash generated from/(used in) operating activities		**4,380**	(13,035)
Cash flows from investing activity			
Purchase of property, plant and equipment		**(14)**	(28)
Net cash used in investing activity		**(14)**	(28)
Net increase/(decrease) in cash and cash equivalents		**4,366**	(13,063)
Cash and cash equivalents at 1 January		**18,722**	31,774
Effect of exchange rate fluctuations on cash held		**(2)**	11
Cash and cash equivalents at 31 December	4	**23,086**	18,722

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

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 2017.

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 the Singapore Financial Reporting Standards (FRS).

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 financial statements in conformity with FRSs 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.

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.

2 Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)

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 18 – 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 directly 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 FRS, 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 or dealer price quotations. For unquoted investments the valuation team determines fair values using valuation techniques primarily earnings multiples, discounted cash flows and recent comparable transactions. The objective of valuation techniques 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, and the differences could be material.

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).

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).

2 Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)

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 18 – 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 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 Group 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 fair value through profit or loss.

(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 fair value through profit or loss. The investment in the subsidiary which provides investment-related services is consolidated from the date the control commences until the date that control ceases in accordance with FRS 110.

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.

3 Significant accounting policies (continued)

3.1 Investment entity and basis of consolidation (continued)

(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 fair value through profit or loss as their performance is evaluated on a fair value basis. This treatment is permitted by FRS 28 Investments in Associates ("FRS 28") which allows investments held by Investment Entities to be recognised and measured at fair value through profit or loss and accounted for in accordance with FRS 39 Financial Instruments: Recognition and Measurement ("FRS 39"), with changes in fair value recognised in the profit or loss in the period of change. In accordance with FRS 39, 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 end of the reporting period are retranslated 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 retranslated 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 retranslation are recognised in profit or loss, except for the retranslation of available-for-sale equity instruments for which the foreign currency differences are recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(i) Non-derivative financial assets (continued)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss 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 fair value through profit or loss 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. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss 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 comprise equity securities acquired for the purpose of selling or repurchase in the short term.

Financial assets designated at fair value through profit or loss 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 recognised initially 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.

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.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(i) Non-derivative financial assets (continued)

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.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables.

(iii) 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.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(iv) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in Singapore dollars that can be converted to share capital at the option of the holder, where the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and gains and losses related to the financial liability component are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

(v) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in its fair value are recognised immediately in profit or loss. The Group does not apply hedge accounting.

3.4 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, 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 (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group 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.

3 Significant accounting policies (continued)

3.4 Impairment (continued)

(ii) 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.

(iii) 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.

(iv) 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.

3 Significant accounting policies (continued)

3.4 Impairment (continued)

(iv) Non-financial assets (continued)

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.

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.

3 Significant accounting policies (continued)

3.5 Property, plant and equipment (continued)

(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

Property, plant and equipment costing less than $1,000 are expensed off to the income statement. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.6 Employee benefits

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 or profit-sharing plans 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 Significant accounting policies (continued)

3.8 Investment income

Revenue for the Group comprise investment income arising from dividend income, interest income, gains from realisation of investments, changes in fair value of investments, and impairment losses.

(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.

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.

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.

3 Significant accounting policies (continued)

3.10 Tax (continued)

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.

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 Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

3 Significant accounting policies (continued)

3.13 Segment reporting (continued)

A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

3.14 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group will assess the transition options and the potential impact on its financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

Applicable to 2018 financial statements

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The three principal classification in contracts for financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standards eliminates the existing FRS 39 categories of held to maturity, loans and receivables and available-for-sale.

Management's assessment

Based on its preliminary assessment at 31 December 2016, the Group has assessed that the impact from application of FRS 109 will arise mainly from the classification of financial assets.

Based on the Group's portfolio of investments as at 31 December 2016, financial assets classified as available-for-sale represent approximately 15% of the Group's total portfolio. The Group has reviewed its policy of classification of the financial assets and has made a preliminary assessment that all financial assets currently classified as available-for-sale will be classified as at fair value through profit or loss, and the associated balance of fair value reserve will be reclassified to retained earnings on the initial date of application, being 1 January 2018. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

The other key changes arising from FRS 109 in respect of impairment and hedge accounting are not expected to have a significant impact on the Group as the Group does not have significant receivables and does not engage in hedge accounting.

3 Significant accounting policies (continued)

3.14 New standards and interpretations not adopted (continued)

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including FRS 18 Revenue, FRS 11 Construction Contracts, INT FRS 113 Customer Loyalty Programmes.

Management's assessment

Based on its preliminary assessment at 31 December 2016, the Group has assessed that the impact from application of FRS 115 is not expected to have significant impact as the Group's main source of revenue were derived from dividends and gains from sale of investments.

Convergence with International Financial Reporting Standards (IFRS)

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

Management's assessment

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 9 Financial Instruments and SG-IFRS 15 *Revenue from Contracts with Customers* will be similar to adopting FRS 109 and FRS 115 as described in this Note.

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

Applicable to 2019 financial statements

FRS 116 *Leases*

FRS 116 introduces a single, on-balance sheet accounting for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make payments. There are optional 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.

3 Significant accounting policies (continued)

3.14 New standards and interpretations not adopted (continued)

FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives,* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Management's assessment

Based on its preliminary assessment at 31 December 2016, the Group has assessed that the impact from the application of FRS 116 is not expected to have significant impact.

4 Cash and cash equivalents

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Cash and bank balances	**21,057**	5,070	**20,551**	4,572
Short-term fixed deposits with banks	**2,029**	13,652	**–**	10,438
	23,086	18,722	**20,551**	15,010

5 Other receivables

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Amounts due from related parties	**108**	79	**101**	44
Dividend receivable	**–**	3,499	**–**	3,499
Deposits	**44**	44	**–**	1
Prepayment	**88**	88	**16**	17
Others	**858**	834	**790**	777
	1,098	4,544	**907**	4,338

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.

6 Loan receivable

In 2010, the Group and the Company granted a loan to a portfolio company at an effective interest rate of 20.0% per annum and maturity in February 2013. The terms of the loan were subsequently renegotiated to mature in October 2017 and bear interest of 6.5% per annum as at 31 December 2016. At the reporting date, the carrying amount of loan receivable has an interest receivable portion of $15,120,000 (2015: $12,585,000).

Subsequent to the reporting date, the Group injected an additional loan of $4.63 million in January 2017 and the interest rate was renegotiated to 2.25% per annum and repayable on demand from the date thereof.

7 Investments - At fair value through profit or loss

	Group and Company	
	2016	2015
	$'000	$'000
Subsidiaries, designated at fair value through profit or loss	**69,393**	59,855

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 $57,229,000 (2015: $47,065,000) which were in substance the Company's cost of investment in the subsidiaries.

These subsidiaries are measured at fair value through profit or loss 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 mainly investments 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**	
			2016	2015
			%	%
Killian Court Pte. Ltd. [1]	Investment holding	Singapore	**100**	100
Little Rock Group Limited [2]	Investment holding	British Virgin Islands	**100**	100

7 Investments - At fair value through profit or loss (continued)

Management has also assessed that Killian Court Pte. Ltd. and Little Rock Group Limited meet the qualifying criteria of an investment entity. Investments that are controlled by 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	
			2016	2015
			%	%
Killian Court Pte. Ltd.				
Alpha Fountain Limited [2]	Investment holding	British Virgin Islands	**100**	100
Ascend Ventures Limited [2]	Investment holding	British Virgin Islands	**100**	100
Cadence Capital Investments Limited [2]	Investment holding	British Virgin Islands	**100**	100
Centrex Link Limited [2]	Investment holding	British Virgin Islands	**100**	100
China M Ventures Limited [2]	Investment holding	British Virgin Islands	**–**	100
Crest Spring Limited [2]	Investment holding	British Virgin Islands	**100**	100
Global Asia Ventures Limited [2]	Investment holding	British Virgin Islands	**100**	100
Lilydale International Limited [2]	Investment holding	British Virgin Islands	**100**	100
Region Capital Investments Limited [2]	Investment holding	British Virgin Islands	**100**	100
Ridge Oak Limited [2]	Investment holding	British Virgin Islands	**100**	100
Riva Dew Limited [2]	Investment holding	British Virgin Islands	**100**	100
Spring Rose Investments Limited [2]	Investment holding	British Virgin Islands	**100**	100
TIHT Investment Holdings Pte. Ltd. [1]	Investment holding	Singapore	**55**	55
TIHT Investment Holdings II Pte. Ltd. [1]	Investment holding	Singapore	**55**	100
Twin Fountain Investments Limited [2]	Investment holding	British Virgin Islands	**100**	100

7 Investments - At fair value through profit or loss (continued)

Name of company	Principal activity	Country of incorporation	Effective equity interest	
			2016	2015
			%	%
Little Rock Group Limited				
Water Bay Developments Limited [2]	Investment holding	British Virgin Islands	**100**	100

[1] Audited by KPMG LLP, Singapore.

[2] 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.

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 it is required from time to time to enable these subsidiaries to meet their obligations as and when they fall due. The Company has no contractual commitments or current intentions to provide any other financial or other support to its subsidiaries.

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 $11,211,000 (2015: $1,973,000) with respect to specific portfolio company investments.

8 Investments - Available-for-sale

	Group and Company	
	2016	2015
	$'000	$'000
Unquoted equity securities	**17,768**	10,721

9 Investments - Subsidiary

	Company	
	2016	2015
	$'000	$'000
Unquoted equity shares, at cost	**5,000**	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:

Name of company	Principal activity	Country of incorporation and place of business	Effective equity interest	
			2016	2015
			%	%
TIH Investment Management Pte. Ltd.[1]	Investment management	Singapore	**100**	100

[1] Audited by KPMG LLP, Singapore.

10 Property, plant and equipment

Group	Leasehold improvements $'000	Computer software/ equipment $'000	Total $'000
Cost			
At 1 January 2015	21	81	102
Additions	–	28	28
Disposal	–	(2)	(2)
At 31 December 2015	21	107	128
Additions	–	14	14
At 31 December 2016	21	121	142
Accumulated depreciation			
At 1 January 2015	7	16	23
Depreciation	11	32	43
Disposal	–	(1)	(1)
At 31 December 2015	18	47	65
Depreciation	3	38	41
At 31 December 2016	21	85	106
Carrying amounts			
At 1 January 2015	14	65	79
At 31 December 2015	3	60	63
At 31 December 2016	–	36	36

11 Other payables

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Advance consultancy fee received	**–**	514	**–**	–
Directors' fees payable	**422**	428	**422**	428
Accruals for operating expenses	**17,812**	17,348	**17,190**	17,011
	18,234	18,290	**17,612**	17,439

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

Included in accruals for operating expenses is an amount of $16,543,000 (2015: $16,422,000) for the Group and the Company for tax and expenses relating to certain divestments.

12 Derivatives

	Group and Company	
	2016	2015
	$'000	$'000
Forward exchange contracts	**2**	33

The Group and the Company's exposures to currency risk and to liquidity risk related to derivatives are disclosed in Note 18.

13 Convertible bonds

	Group and Company	
	2016	2015
	$'000	$'000
Carrying amount of liability at 1 January	**4,032**	3,915
Accreted interest	**121**	117
Carrying amount of liability at 31 December	**4,153**	4,032

The convertible bonds were issued on 20 May 2014 and will mature in 36 months from date of issuance ("Maturity Date").

At 31 December 2016, the outstanding bonds are convertible into 2,955,763 (2015: 2,955,763) ordinary shares at the option of the holder or automatically convertible to ordinary shares upon meeting certain criteria stipulated in the bonds agreement. On Maturity Date, all outstanding bonds shall automatically be redeemable by the Company at their principal amount.

14 Share capital

	2016	2015
	Number of shares	
	'000	'000
Company		
At 1 January and 31 December	**241,686**	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.

Issuance of ordinary shares

In 2014, the Company completed its bonus warrants issue, on the basis of 3 bonus warrants for every 1 existing ordinary shares held by shareholders of the Company as at a books closure date. Bonus warrants issue expense of approximately $110,000 was incurred and charged against the capital reserve. 1,860,053 ordinary shares were issued due to conversion of Convertible Bond Series A of principal value of $2.1 million at the conversion price of $1.129 per share. The remaining unconverted bonds were convertible into 2,955,763 ordinary shares by May 2017 at the option of the holder or automatically convertible to ordinary shares upon meeting certain criteria stipulated in the bonds agreement, at a rate of one share for every convertible bond.

As at 31 December 2016, there were 697,430,839 (2015: 697,430,839) bonus warrants outstanding. Each bonus warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of $2.28 during the 12 month period commencing on 19 May 2016 up to 19 May 2017.

15 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. In 2012, $90,794,000 was capitalised pursuant to the bonus shares issue exercise. In 2014, $535,000 was capitalised due to the issuance of convertible bonds (See Note 13).

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.

16 Dividends

A final exempt one-tier dividend of $0.01 per share was proposed by the directors for the financial year ended 31 December 2016 (2015: Nil) subsequent to the reporting date. The dividend has not been provided for and there is no tax consequence.

As at 31 December 2016, the Group and the Company has distributed cumulative dividends of $412.23 million (2015: $412.23 million) out of retained earnings.

17 Agreements

On 30 January 2015, the Company entered into a Strategic Support Services Agreement with ASM Administration Limited ("ASMAL"), a shareholder of the Company, to provide support services such as deal-sourcing to the Company. The agreement was effective 1 July 2014 for a fixed fee of US$500,000 per annum. On 24 May 2016, the Company renewed the agreement for a fixed fee of US$515,000 per annum (US$129,000 per quarter) effective 1 July 2016. At the reporting date, the Singapore dollars equivalent fee for the year was $700,000 (2015: $686,000).

18 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 training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

18 Financial instruments (continued)

Risk management framework (continued)

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.

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

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Portfolio company	**31,499**	28,964	**31,499**	28,964
Others	**966**	4,412	**891**	4,320
	32,465	33,376	**32,390**	33,284

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.

18 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:

	2016			2015			
		Cash flows			Cash flows		
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Next 1-5 years $'000
Group							
Non-derivative financial liabilities							
Convertible bonds	**4,153**	**(4,200)**	**(4,200)**	4,032	(4,200)	–	(4,200)
Other payables	**18,234**	**(18,234)**	**(18,234)**	17,776	(17,776)	(17,776)	–
	22,387	**(22,434)**	**(22,434)**	21,808	(21,976)	(17,776)	(4,200)
Derivative financial instruments							
Other forward exchange contracts (gross-settled)	**2**			33			
- Outflow		**(1,593)**	**(1,593)**		(2,508)	(2,508)	–
- Inflow		**1,591**	**1,591**		2,475	2,475	–
	2	**(2)**	**(2)**	33	(33)	(33)	–
	22,389	**(22,436)**	**(22,436)**	21,841	(22,009)	(17,809)	(4,200)
Company							
Non-derivative financial liabilities							
Convertible bonds	**4,153**	**(4,200)**	**(4,200)**	4,032	(4,200)	–	(4,200)
Other payables	**17,612**	**(17,612)**	**(17,612)**	17,439	(17,439)	(17,439)	–
	21,765	**(21,812)**	**(21,812)**	21,471	(21,639)	(17,439)	(4,200)
Derivative financial instruments							
Other forward exchange contracts (gross-settled)	**2**			33			
- Outflow		**(1,593)**	**(1,593)**		(2,508)	(2,508)	–
- Inflow		**1,591**	**1,591**		2,475	2,475	–
	2	**(2)**	**(2)**	33	(33)	(33)	–
	21,767	**(21,814)**	**(21,814)**	21,504	(21,672)	(17,472)	(4,200)

18 Financial instruments (continued)

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 Hong Kong dollars and 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.

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 $1,592,000 (2015: $2,490,000), 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.

18 Financial instruments (continued)

Currency risk (continued)

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

	United States dollars $'000
Group	
2016	
Cash and bank balance	**7,595**
Investments	
- Available-for-sale	**15,198**
- At fair value through profit or loss	**50,614**
Other receivables	**584**
Accruals	**(5,898)**
Net statement of financial position exposure	**68,093**
Forward exchange contracts	**(1,592)**
Net exposure	**66,501**
2015	
Cash and bank balance	782
Investments	
- Available-for-sale	10,721
- At fair value through profit or loss	32,474
Other receivables	549
Accruals	(5,768)
Net statement of financial position exposure	38,758
Forward exchange contracts	(2,490)
Net exposure	36,268
Company	
2016	
Cash and bank balance	**6,726**
Investments	
- Available-for-sale	**15,198**
- At fair value through profit or loss	**50,614**
Other receivables	**544**
Accruals	**(5,898)**
Net statement of financial position exposure	**67,184**
Forward exchange contracts	**(1,592)**
Net exposure	**65,592**
2015	
Cash and bank balance	3
Investments	
- Available-for-sale	10,721
- At fair value through profit or loss	32,474
Other receivables	543
Accruals	(5,768)
Net statement of financial position exposure	37,973
Forward exchange contracts	(2,490)
Net exposure	35,483

18 Financial instruments (continued)

Sensitivity analysis

A 10% strengthening of the Singapore dollars against the following currencies at the reporting date would (decrease)/increase other comprehensive income and 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 2015.

	2016		2015	
	Effect on		Effect on	
	Other comprehensive income (Fair value reserve)	**Profit or loss**	Other comprehensive income (Fair value reserve)	Profit or loss
	$'000	**$'000**	**$'000**	**$'000**
Group				
United States dollars	**(1,520)**	**(5,131)**	(1,072)	(2,555)
Company				
United States dollars	**(1,520)**	**(5,040)**	(1,072)	(2,476)

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 $2,029,000 (2015: $13,652,000) (Note 4) and loan receivable of $31,499,000 (2015: $28,964,000) (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 2016, 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 $335,000 (2015: $426,000).

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.

18 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.

		Carrying amount					Fair value			
	Note	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
Group										
2016										
Financial assets measured at fair value										
Investments at fair value through profit or loss	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**				
Financial assets not measured at fair value										
Cash and cash equivalents	4	**23,086**	–	–	–	**23,086**				
Other receivables	5	**1,098**	–	–	–	**1,098**				
Loan receivable	6	**31,499**	–	–	–	**31,499**				
		55,683	–	–	–	**55,683**				
Financial liabilities measured at fair value										
Derivatives – Forward exchange contracts	12	–	**(2)**	–	–	**(2)**	–	**(2)**	–	**(2)**
Financial liabilities not measured at fair value										
Other payables	11	–	–	–	**(18,234)**	**(18,234)**				
Convertible bonds	13	–	–	–	**(4,153)**	**(4,153)**				
		–	–	–	**(22,387)**	**(22,387)**				

18 Financial instruments (continued)

Financial assets and liabilities (continued)

	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
Group										
2015										
Financial assets measured at fair value										
Investments at fair value through profit or loss	7	–	59,855	–	–	59,855	–	–	59,855	59,855
Available-for-sale investments	8	–	–	10,721	–	10,721	–	–	10,721	10,721
		–	59,855	10,721	–	70,576				
Financial assets not measured at fair value										
Cash and cash equivalents	4	18,722	–	–	–	18,722				
Other receivables	5	4,544	–	–	–	4,544				
Loan receivable	6	28,964	–	–	–	28,964				
		52,230	–	–	–	52,230				
Financial liabilities measured at fair value										
Derivatives – Forward exchange contracts	12	–	(33)	–	–	(33)	–	(33)	–	(33)
Financial liabilities not measured at fair value										
Other payables	11	–	–	–	(18,290)	(18,290)				
Convertible bonds	13	–	–	–	(4,032)	(4,032)				
		–	–	–	(22,322)	(22,322)				

18 Financial instruments (continued)

Financial assets and liabilities (continued)

	Note	Carrying amount: Loans and receivables $'000	Carrying amount: At fair value through profit or loss $'000	Carrying amount: Available-for-sale $'000	Carrying amount: Other financial liabilities $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
Company										
2016										
Financial assets measured at fair value										
Investments at fair value through profit or loss	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**				
Financial assets not measured at fair value										
Cash and cash equivalents	4	**20,551**	–	–	–	**20,551**				
Other receivables	5	**907**	–	–	–	**907**				
Loan receivable	6	**31,499**	–	–	–	**31,499**				
		52,957	–	–	–	**52,957**				
Financial liabilities measured at fair value										
Derivatives – Forward exchange contracts	12	–	**(2)**	–	–	**(2)**	–	**(2)**	–	**(2)**
Financial liabilities not measured at fair value										
Other payables	11	–	–	–	**(17,612)**	**(17,612)**				
Convertible bonds	13	–	–	–	**(4,153)**	**(4,153)**				
		–	–	–	**(21,765)**	**(21,765)**				

18 Financial instruments (continued)

Financial assets and liabilities (continued)

	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
Company										
2015										
Financial assets measured at fair value										
Investments at fair value through profit or loss	7	–	59,855	–	–	59,855	–	–	59,855	59,855
Available-for-sale investments	8	–	–	10,721	–	10,721	–	–	10,721	10,721
		–	59,855	10,721	–	70,576				
Financial assets not measured at fair value										
Cash and cash equivalents	4	15,010	–	–	–	15,010				
Other receivables	5	4,338	–	–	–	4,338				
Loan receivable	6	28,964	–	–	–	28,964				
		48,312	–	–	–	48,312				
Financial liabilities measured at fair value										
Derivatives – Forward exchange contracts	12	–	(33)	–	–	(33)	–	(33)	–	(33)
Financial liabilities not measured at fair value										
Other payables	11	–	–	–	(17,439)	(17,439)				
Convertible bonds	13	–	–	–	(4,032)	(4,032)				
		–	–	–	(21,471)	(21,471)				

18 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
Group and Company			
Subsidiaries designated at fair value through profit or loss	Adjusted net asset value	Not applicable	Not applicable
Available-for-sale investments	Adjusted net asset value	Liquidity discount (2016: 30%; 2015: 20%)	The estimated fair value would increase if the liquidity discount was lower
Derivatives – Forward exchange contracts	The fair values are based on broker quotes	Not applicable	Not applicable

Sensitivity analysis

For the fair values of 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 profit or loss by $1,269,000 (2015: $4,694,000).

Financial instruments not measured at fair value but for which fair values are disclosed

Type	Valuation technique	Significant unobservable inputs
Group and Company		
Convertible bonds	Discounted cash flows	Not applicable

18 Financial instruments (continued)

Measurement of fair values (continued)

(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	
	2016	2015
	$'000	$'000
At 1 January	**70,576**	60,813
Investments	**37,083**	25,164
Repayment of loan	**(27,155)**	(6,758)
Total unrealised gains and losses recognised in profit or loss:		
- net change in fair value of investments at fair value through profit or loss	**(390)**	4,559
- impairment losses	**–**	(4,743)
Total unrealised gains and losses for the year included in other comprehensive deficit:		
- net change in fair value of available-for-sale investments	**7,047**	(7,846)
Divestment	**–**	(613)
At 31 December	**87,161**	70,576

There were no transfers between Level 1, 2 and 3 during the year ended 31 December 2016 and 31 December 2015 for the Group and the Company.

Offsetting financial assets and financial liabilities

There are no offsetting of financial instruments such as trade receivables and trade payables in the statements of financial position.

The Group's derivative transactions do not meet the criteria for offsetting in the statements of financial position.

19 Net finance cost

	Group	
	2016	2015
	$'000	$'000
Finance income		
Interest income on fixed deposits	**59**	100
Finance cost		
Interest expense on financial liabilities measured at amortised cost	**(121)**	(117)
Net foreign exchange loss	**(280)**	(33)
	(401)	(150)
Net finance cost recognised in profit or loss	**(342)**	(50)
The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not at fair value through profit or loss:		
- Total interest income on financial assets	**59**	100
- Total interest expense on financial liabilities	**(121)**	(117)

20 Income tax

	Group	
	2016	2015
	$'000	$'000
Current tax credit		
Current year	**–**	(1)
Adjustment for prior years	**–**	–
Tax credit	**–**	(1)
Reconciliation of effective tax rate		
Profit for the year	**12,930**	9,514
Tax credit	**–**	(1)
Profit before tax	**12,930**	9,513
Tax using the Singapore tax rate of 17% (2015: 17%)	**2,198**	1,617
Non-deductible expenses	**161**	91
Tax exempt income	**(2,552)**	(1,777)
Recognition of tax effect of previously unrecognised tax losses	**–**	(71)
Current year losses for which no deferred tax asset was recognised	**193**	139
	–	(1)

Deferred tax asset has not been recognised in respect of tax losses of the Group amounting to $1,135,000 (2015: $820,000) because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

21 Profit for the year

The following items have been included in arriving at profit for the year:

		Group	
		2016	2015
		$'000	$'000
(a)	Net gain on disposal of investments		
	Gain on disposal of available-for-sale investments	**–**	2,029
(b)	Operating expenses include the following:		
	Depreciation on property, plant and equipment	**41**	43
	Loss on disposal of property, plant and equipment	**–**	1
	Audit fees paid/payable to:		
	- Auditor of the Company for statutory audit of the Group	**169**	148
	Non-audit fees paid/payable to:		
	- Auditor of the Company and the Group	**30**	39
	Operating lease expense	**163**	165
	Directors' remuneration	**422**	428
	Staff costs, excluding contributions to defined contribution plans	**1,997**	1,544
	Contributions to defined contribution plans	**180**	144
	Consultancy fee	**99**	–
	Legal and professional fees	**1,012**	790

22 Basic and diluted earnings per share

(a) Basic earnings per share

For the year ended 31 December 2016, basic earnings per share is calculated by dividing the consolidated net profit attributable to owners of the Company of $12,930,000 (2015: $9,514,000) by the weighted average number of ordinary shares outstanding of 241,685,638 (2015: 241,685,638).

Weighted average number of ordinary shares

	Group	
	2016	2015
	$'000	$'000
Issued ordinary shares at beginning of the year	**241,686**	241,686
Effect of shares issued on exercise of bonus warrants	**–**	–
Effect of conversion of convertible bonds	**–**	–
Weighted average number of ordinary shares at end of year	**241,686**	241,686

22 Basic and diluted earnings per share (continued)

(b) Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share. Outstanding warrants and convertible bonds were excluded from the calculation of diluted earnings per share because the Second Exercise Period of the Bonus Warrants will be from 19 May 2016 to 19 May 2017 and the convertible bonds were anti-dilutive as their stipulated automatic conversion price is higher than the average market price at the reporting date.

23 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2016	2015
	$'000	$'000
Within one year	**163**	163
Between one and five years	**52**	215
	215	378

The Group has leasing arrangements that run for an initial period of 2 years. None of the leases have any contingent leasing arrangements.

24 Related parties

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:

	Group	
	2016	2015
	$'000	$'000
Directors' remuneration	**422**	428
Salaries and other short-term employee benefits	**391**	380

24 Related parties (continued)

Other related party transactions

	Group	
	2016	2015
	$'000	$'000
Service fees		
ASM Administration Limited, an associate of Argyle Street Management Limited, a controlling shareholder of the Company	**700**	686

25 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**	
	2016	2015	**2016**	2015	**2016**	2015
Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
China/Hong Kong SAR	**749**	5,042	**2,637**	6,016	**–**	–
Singapore	**7,357**	(3,714)	**34,127**	41,437	**31,499**	–
Australia	**4**	–	**49**	–	**–**	–
Taiwan	**88**	518	**2,354**	3,301	**–**	–
Thailand	**1,528**	2,318	**3,778**	8,353	**–**	–
Japan	**(554)**	6,767	**–**	25,241	**–**	–
Indonesia	**5,859**	(164)	**23,013**	11,664	**–**	–
Malaysia	**515**	257	**2,808**	3,125	**–**	–
Others	**2,380**	2,360	**18,395**	403	**–**	–
	17,926	13,384	**87,161**	99,540	**31,499**	–

In the above table, others segment include distributions from other funds that are incorporated in 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 investment business segment but exclude the assets from the investment management subsidiary. Corresponding revenues represent investment income, which comprise proceeds from disposal of investments (less cost of investments), net change in fair value of financial assets, impairment losses, dividend income and interest income.

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)
For the year ended 31 December 2016			
Argyle Street Management Limited group ("ASML group"), a deemed controlling shareholder of the Company	(1)	Strategic Support Services fee of $700,000.	–
	(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 $30,997,000.	–
For the year ended 31 December 2015			
Argyle Street Management Limited group ("ASML group"), a deemed controlling shareholder of the Company	(1)	Strategic Support Services fee of $686,000.	–
	(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 $23,281,000.	–