



TLV HOLDINGS LIMITED

Company Registration No. 201526542C

**Unaudited First Quarter Financial Statement
For the Financial Period Ended 30 June 2017**

*TLV Holdings Limited (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 17 September 2015. The initial public offering of the Company (the “**IPO**”) was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)

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

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

	Group		Increase/ (Decrease) %
	1Q 2018 (Unaudited) S\$'000	1Q 2017 (Unaudited) S\$'000	
Revenue	30,346	27,883	9
Cost of sales	(22,181)	(20,020)	11
Gross Profit	8,165	7,863	4
Other operating income	4	17	(76)
Distribution costs	(5,108)	(6,134)	(17)
Administrative expenses	(1,406)	(1,193)	18
Other operating expenses	(436)	(277)	57
Share of (loss)/ profit of associated company	(20)	106	nm
Finance costs	(51)	(59)	(14)
Profit before tax	1,148	323	255
Income tax expense	(114)	(48)	138
Profit after tax	1,034	275	276
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	(24)	(3)	nm
Share of other comprehensive loss of associated company	(63)	—	nm
Total comprehensive income	947	272	248

nm – not meaningful

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

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

	Group		Increase/ (Decrease) %
	1Q 2018 (Unaudited) S\$'000	1Q 2017 (Unaudited) S\$'000	
Interest income from pawn broking business	300	217	38
Net foreign currency loss	(201)	(333)	(39)
(Loss)/gain on disposal of fixed assets	(2)	1	nm
Interest expense	(51)	(59)	(14)
Depreciation of fixed assets	(230)	(208)	11
Amortisation of trademark	(35)	(35)	—

nm – not meaningful

**Unaudited First Quarter Financial Statement
For the Financial Period Ended 30 June 2017**

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

	Group		Company	
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Inventories	83,999	83,349	–	–
Trade and other receivables	42,678	48,384	14,559	14,089
Prepayments	146	121	6	19
Cash and bank balances	11,141	10,340	2,117	2,935
Total current assets	137,964	142,194	16,682	17,043
Non-current assets				
Investment in subsidiaries	–	–	82,076	82,076
Investment in associated company	5,477	5,563	–	–
Fixed assets	5,472	5,772	–	–
Trademark	950	985	–	–
Non-current other receivables	1,067	1,098	–	–
Total non-current assets	12,966	13,418	82,076	82,076
Total assets	150,930	155,612	98,758	99,119
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank borrowings	8,693	10,817	–	–
Hire purchase	106	106	–	–
Trade and other payables	37,468	40,624	679	962
Income tax payable	611	521	–	–
Total current liabilities	46,878	52,068	679	962
NET CURRENT ASSETS	91,086	90,126	16,003	16,081
Non-current liabilities				
Bank borrowings	696	1,067	–	–
Hire purchase	280	299	–	–
Deferred tax liabilities	245	245	–	–
Provision	261	310	–	–
Total non-current liabilities	1,482	1,921	–	–
Total Liabilities	48,360	53,989	679	962
NET ASSETS	102,570	101,623	98,079	98,157

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

	Group		Company	
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to owners of the Company				
Share capital	96,719	96,719	96,719	96,719
Merger reserve	(64,502)	(64,502)	–	–
Treasury shares	(698)	(698)	(698)	(698)
Translation reserve	607	694	–	–
Legal reserve	55	55	–	–
Retained earnings	70,388	69,354	2,058	2,136
Equity attributable to equity holders	102,569	101,622	98,079	98,157
Non-controlling interest	1	1	–	–
Total Equity	102,570	101,623	98,079	98,157

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	30.06.2017		31.03.2017	
	(Unaudited)		(Audited)	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	283	8,516	1,289	9,634
Amount repayable after one year	476	500	533	833
	759	9,016	1,822	10,467

Details of any collateral:

1. Bank borrowing of \$0.37 million (31 March 2017: \$0.42 million) are secured by first mortgage over a leasehold property owned by a subsidiary of the Group.
2. Short term bank loan of \$ nil million (31 March 2017: \$1.0 million) is secured by a subsidiary's cash account and a fixed and floating charge on all present and future assets of the subsidiary.
3. The balance of the Group's secured borrowings relates to hire purchase facilities secured against the respective motor vehicles.

**Unaudited First Quarter Financial Statement
For the Financial Period Ended 30 June 2017**
1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	1Q 2018 Unaudited S\$'000	1Q 2017 Unaudited S\$'000
Operating activities		
Profit before tax	1,148	323
Adjustments for:		
Depreciation of fixed assets	230	208
Amortisation of trademark	35	35
Interest expense	51	59
Share of loss/ (profit) of associated company	20	(106)
Unrealised exchange gain	(17)	(275)
Loss/(gain) on disposal of fixed assets	2	(1)
Operating cash flows before movements in working capital	1,469	243
Decrease in trade and other receivables and prepayments	5,253	6,034
(Increase)/ decrease in inventories	(647)	3,049
Decrease in trade and other payables	(2,664)	(12,102)
Increase in bills payable	105	608
Cash generated from/(used in) operations	3,516	(2,168)
Interest paid	(51)	(59)
Income tax paid, net	(24)	5
Net cash generated from/(used in) operating activities	3,441	(2,222)
Investing activities		
Proceeds from disposal of fixed assets	81	26
Purchase of fixed assets	(62)	(407)
Net cash generated from /(used in) investing activities	19	(381)
Financing activities		
Proceeds from bank borrowings	1,500	1,500
Repayment of bank borrowings	(4,100)	(2,569)
Repayment of hire purchase	(19)	(16)
Share buyback exercise	—	(49)
Net cash used in financing activities	(2,619)	(1,134)
Net increase/(decrease) in cash and cash equivalents	841	(3,737)
Net effect of exchange rates changes on the balance cash held in foreign currencies	(40)	(3)
Cash and cash equivalents at beginning of the financial year	10,340	12,709
Cash and cash equivalents at end of the financial period	11,141	8,969

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For the Financial Period Ended 30 June 2017

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

	Share Capital	Merger reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Legal reserve	Non Controlling Interest	Total Equity
Group (Unaudited) As at 1 April 2017	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	96,719	(64,502)	(698)	694	69,354	55	1	101,623
Profit for the period	—	—	—	—	1,034	—	—	1,034
Other comprehensive income								
Foreign currency translation	—	—	—	(24)	—	—	—	(24)
Share of other comprehensive loss of associated company	—	—	—	(63)	—	—	—	(63)
	—	—	—	(87)	1,034	—	—	947
As at 30 June 2017	96,719	(64,502)	(698)	607	70,388	55	1	102,570

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

	Share Capital	Merger reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Legal reserve	Total Equity
Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2016	96,719	(64,502)	—	430	69,362	55	102,064
Profit for the period	—	—	—	—	275	—	275
<u>Other comprehensive income</u>							
Foreign currency translation	—	—	—	(3)	—	—	(3)
	—	—	—	(3)	275	—	272
<u>Contributions by and distributions to owners</u>							
Share buyback exercise	—	—	(49)	—	—	—	(49)
			(49)				(49)
Balance as at 30 June 2016	96,719	(64,502)	(49)	427	69,637	55	102,287

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

Company (Unaudited)	Share Capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Balance as at 1 April 2017	96,719	(698)	2,136	98,157
Profit for the period	—	—	(78)	(78)
Total comprehensive income	—	—	(78)	(78)
Balance as at 30 June 2017	96,719	(698)	2,058	98,079

Company (Unaudited)	Share Capital S\$'000	Retained earnings S\$'000	Treasury Shares S\$'000	Total Equity S\$'000
As at 1 April 2016	96,719	2,887	—	99,606
Profit for the period	—	(110)	—	(110)
Total comprehensive income	—	(110)	—	(110)
<u>Contributions by owners and distributions by owners</u>				
Share buyback exercise	—	—	(49)	(49)
Balance as at 30 June 2016	96,719	2,777	(49)	99,447

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

	Number of Shares	Share capital (S\$'000)
As at 30 June 2017	559,406,000	96,021
As at 31 March 2017	559,406,000	96,021

The Company did not have any outstanding options or convertibles as at 30 June 2017 and 30 June 2016.

	30.06.2017	30.06.2016
Number of issued shares held as treasury shares	6,100,000	400,000
Number of issued shares held as subsidiary holdings	—	—
Total number of issued shares excluding treasury shares and subsidiary holdings	559,406,000	565,106,000

Accordingly the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed is 1.1% and 0.1% as at 30 June 2017 and 30 June 2016 respectively.

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

	30.06.2017	31.03.2017
Total number of issued shares excluding treasury shares	559,406,000	559,406,000

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

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

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

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

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the financial year as those of the audited combined financial statements for the financial year ended 31 March 2017.

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

The Group adopted a number of new Financial Reporting Standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 April 2017. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact to the Group's and the Company's financial statements for the current financial period reported on.

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

	Group	
	1Q 2018 (Unaudited)	1Q 2017 (Unaudited)
Profit attributable to owners of the Company (S\$'000)	1,034	275
Weighted average number of ordinary shares in issue (S\$'000) ¹	559,406	565,374 ¹
Basic and diluted earnings per share (Singapore cents) ²	0.18	0.05

Note:

¹The weighted average number of shares of the Company is calculated based on the adjusted share capital after taking into account of the share buybacks in 1Q 2018.

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

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

	GROUP		COMPANY	
	30.06.2017 Unaudited	31.03.2017 Audited	30.06.2017 Unaudited	31.03.2017 Audited
Net asset value per ordinary share (Singapore cents)	18.34	18.17	17.53	17.55
Number of issued shares (excluding treasury shares) (S\$'000)	559,406	559,406	559,406	559,406

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

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

Review of the Income Statement of the Group

Revenue

	GROUP		Change
	1Q 2018 (Unaudited) S\$'000	1Q 2017 (Unaudited) S\$'000	
Retail and pawnbroking	15,791	15,485	2
Exhibition business	14,555	12,398	17
Total	30,346	27,883	9

Revenue increased by 9% from \$27.9 million in 1Q 2017 to \$30.4 million in 1Q 2018 mainly due to an increase in revenue from the exhibition business.

Revenue for the exhibition business increased by 17% from \$12.4 million to \$14.6 million, mainly due to higher sales generated from a major international exhibition.

Cost of sales

Correspondingly, cost of sales increased by \$2.2 million or 11% to \$22.2 million in 1Q 2018.

Gross profit and gross profit margin

Gross profit increased by approximately \$0.3 million or 4% to \$8.2 million in 1Q 2018 due to higher revenue generated in 1Q 2018. Gross profit margin decreased from 28.2% in 1Q 2017 to 26.9% in 1Q 2018 due to a different product mix sold in 1Q 2018, consisting of higher volumes of low-margin products.

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Distribution costs

Distribution costs decreased by approximately \$1.0 million or 17%, to \$5.1 million in 1Q 2018 mainly due to lower sales commission, lower rental expense from location rationalisation of the retail outlets, and lower advertising & promotion expenses incurred during the financial period.

Administrative expenses

Administrative expenses increased by approximately \$0.2 million to \$1.4 million in 1Q 2018 mainly due to higher staff costs during the financial period.

Other operating expenses

Other operating expenses increased by approximately \$0.2 million in 1Q 2018 mainly due to higher provision of doubtful debt during the financial period.

Net profit

As a result of the foregoing, the Company's net profit increased by approximately \$0.8 million to \$1.0 million in 1Q 2018.

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

Non-current assets decreased by approximately \$0.4 million or 3% from \$13.4 million as at 31 March 2017 to \$13.0 million as at 30 June 2017 mainly due to disposal of fixed assets during the financial period.

Current assets

Current assets decreased by approximately \$4.2 million or 3% from \$142.2 million as at 31 March 2017 to \$138.0 million as at 30 June 2017, mainly due to a decrease in trade and other receivables.

The decrease in trade and other receivables were due to higher collections during the financial period.

Current liabilities

Current liabilities decreased by \$5.2 million or 10% from \$52.1 million as at 31 March 2017 to \$46.9 million as at 30 June 2017, mainly due to repayments of trade and other payables and bank borrowings during the financial period.

Non-current liabilities

Non-current liabilities decreased by \$0.4 million or 23% from \$1.9 million as at 31 March 2017 to \$1.5 million as at 30 June 2017 mainly due to repayment of bank borrowings during the financial period.

Working capital

The Group had a positive working capital of approximately \$91.1 million as at 30 June 2017 as compared to approximately \$90.1 million as at 31 March 2017.

Review of the Cash Flow Statement of the Group

Cash and cash equivalents increased by approximately \$0.8 million or 8% from approximately \$10.3 million as at 31 March 2017 to approximately \$11.1 million as at 30 June 2017.

Net cash from operating activities

In 1Q 2018, we recorded a net cash generated from operating activities of \$3.5 million which was a net result of operating cash flow before working capital changes of \$1.5 million, adjusted for working capital inflow of \$2.0 million.

The net working capital inflow of \$2.0 million was mainly due to the following:

- (a) Decrease in trade and other receivables and prepayment of \$5.3 million;
- (b) Decrease in trade and other payables of \$2.7 million; and
- (c) Increase in inventories of \$0.7 million.

Net cash from financing activities

Net cash used in financing activities amounted to \$2.6 million mainly due to net repayment of bank borrowings.

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

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

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

Singapore's retail market remains challenging with mounting cost pressures. On the back of weak consumer sentiment, the Group has streamlined some of its operations for better cost management by focusing its resources on maximising opportunities in other growth areas. Thus far, the Group has announced the proposed joint venture and incorporation of wholly-owned subsidiary in Guangdong, China to expand into the Chinese retail jewellery market by entering into retail business in the Maoming area before expanding into other geographical locations in China.

11. Dividend

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

None.

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.



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12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommendeded for the current financial period reported on.

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

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

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

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

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

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

The Board of Directors of the Company confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the first quarter ended 30 June 2017 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD
TLV Holdings Limited**

Teo Boon Leng
Managing Director
14 August 2017