

**PROPOSED DIVERSIFICATION OF EXISTING CORE BUSINESS ACTIVITIES  
AND PROPOSED CHANGE OF NAME**

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**1. Introduction**

- 1.1. The board of directors ("**Board**" or "**Directors**") of TLV Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that subject to the approval of the shareholders of the Company ("**Shareholders**"), the Company intends to diversify its Existing Core Business Activities (as defined below) to include Moneylending Business (as defined below) (the "**Proposed Business Diversification**").
- 1.2. In connection with the Proposed Business Diversification and subject to the approval of the Shareholders, the Company also intends to change its name from "TLV Holdings Limited" to "Taka Jewellery Holdings Limited" to align the Company with its "Taka Jewellery" brand name, in order to associate the Group's profile as a reputable and well-established jewellery group, and increase shareholders' awareness of its jewellery businesses. ("**Proposed Change of Name**").

**2. Proposed Business Diversification**

2.1. Background

The Group is principally engaged in the existing core business activities:

- (a) the exhibition business, which involves the Group's regular participation in exhibitions to sell its jewellery on a wholesale basis, to international markets including America, Europe, Asia, Africa and Australia ("**Exhibition Business**");
- (b) the retail business, which involves the sale of jewellery to the domestic market under the Taka Jewellery and Top Cash brands ("**Retail Business**"); and
- (c) the pawnbroking business, which involves the trading and retail of pre-owned jewellery under the Top Cash brand ("**Pawnbroking Business**"),

(the Exhibition Business, the Retail Business and Pawnbroking Business to be collectively referred to as the "**Existing Core Business Activities**").

The Company intends to diversify the Group's Existing Core Business Activities to include the Moneylending Business as a separate core business activity, which is intended to consist of the following activities ("**Moneylending Business**):

(a) Loans to Corporations

It is intended for the Group to provide term loan facilities to corporations for working capital requirements, in the form of revolving credit lines, overdraft loans, bridging loans and term loans with fixed instalment payment terms.

(b) Expansion and Acquisition Financing to Corporations

It is intended for the Group to provide financing loans to corporations, including without limitation to, financing in the form of mezzanine loans. Mezzanine loans are a hybrid of debt and equity financing, and it provides the Group the right to convert or acquire an equity interest in the borrower in addition to interest income. Mezzanine loans are also a means of safeguarding or recovering loans to corporations whereby the shares of the borrowing corporation is provided as collateral for the loan.

Corporate loans described above may be secured by floating and/or fixed charge over certain assets of the borrower or in the case of mezzanine loans, by the shares of the borrower. In certain cases, personal guarantees from major shareholders of the borrower may also be required. Such corporate loans usually have maturities not exceeding 24 months.

For corporate loans which are secured, the amount of loans granted and the tenure of the loans will depend on a multitude to factors, such as the value of the underlying security, which will be assessed based on the valuation provided by external professional valuation firms. Nevertheless, the Group may also grant loans with longer terms or higher percentage of the assessed value of the underlying security (if any) if the Group is satisfied with the assessment of the risks associated with these loans.

The Group does not plan to restrict the Proposed Business Diversification into the Moneylending Business to any specific business sector, industry or asset class or geography as each loan will be evaluated and assessed by the management on its merits. The Group will remain prudent by taking into account the financial condition and cash flow requirements of the Group in deciding the amount involved and to ensure that the financial exposure of the Group is monitored and managed.

For the avoidance of doubt, due to the scope of the Group's Moneylending Business, the Group falls under the definition of "excluded moneylender", and therefore does not require any licenses or approvals under the Moneylenders Act. Going forward, the Group may expand its Moneylending Business to offer all types of moneylending services, subject to the Group obtaining the requisite licenses or approvals (including any licenses or approvals under the Moneylenders Act), where appropriate.

## 2.2. Rationale

The Group first ventured into the Moneylending Business through its Pawnbroking Business under the Top Cash brand in 2013, where the Group's pawnshops provide lending against collaterals not limited to gold and diamond jewellery.

In 2018, the Group identified the Moneylending Business as a potential area of business expansion as it is complementary to the Group's Existing Core Business Activities, and first ventured into offering term loans to corporations. The Moneylending Business of the Group are and will be conducted through BizFintech Pte. Ltd., a wholly-owned subsidiary of the Company.

As the Group intends to further expand its Moneylending Business, it is proposed that the Group diversifies its Existing Core Business Activities to include the Moneylending Business as a separate core business activity of the Group. The Board believes that the Moneylending Business will allow the Group to efficiently utilise the earnings generated from the Existing Core Business Activities, to provide new income streams for the Group which may include, *inter alia*, possible recurring interest income, which would also allow the Group to have better prospects of profitability and ensure long term growth by enabling the Group to have access to new business opportunities which in turn could potentially enhance the return on the Group's assets and improve Shareholders' value in the long run.

For financial reporting purposes, both the Pawnbroking Business and the Moneylending Business of the Group are currently reported under its financial services business segment.

## 3. **Proposed Change of Name**

### 3.1. Background

In connection with the Proposed Business Diversification, the Company intends to seek the approval of Shareholders to change its name from "TLV Holdings Limited" to "Taka Jewellery Holdings Limited" to align the Company with its "Taka Jewellery" brand, in order to associate the Group's profile as a reputable and well-established jewellery group, and increase shareholders' awareness of its jewellery business. ("**Proposed Change of Name**").

### 3.2. Rationale

The proposed new name of the Company associates the Company with the Group's "Taka Jewellery" brand, which the Directors believe will better represent the Group's corporate identity and business strategy. The Proposed Change of Name will also allow the public and the Company's partners to better identify with the Company going forward based on its current business plans and direction.

The Proposed Change of Name will not affect (i) the legal status of the Company; (ii) any of the rights and obligations of the Company; and (iii) any of the Shareholders' rights or the Group's daily business operations and financial position.

### 3.3. Approvals

An application was made to the Accounting and Corporate Regulatory Authority ("**ACRA**") to reserve the name "Taka Jewellery Holdings Limited". The application has been approved and the name will be reserved for a period of 120 days until 11 January 2022.

Upon receipt of approval from Shareholders for the Proposed Change of Name at an extraordinary general meeting ("**EGM**"), the Company will lodge with ACRA the requisite notice for the Proposed Change of Name to effect such change. Upon the issue by the ACRA of a Certificate of Incorporation on Change of Name of Company, the change of name shall become effective and the new name "Taka Jewellery Holdings Limited" shall be substituted for "TLV Holdings Limited" whenever the latter name appears in the Company's Constitution. Apart from the substitution of the Company's name as aforesaid, there will be no other amendments made to the Company's Constitution.

### 3.4. Existing share certificates

Shareholders should note that all existing share certificates of the Company in issue bearing the existing name of the Company will, after the Proposed Change of Name becoming effective, continue to be evidence of title to Shares and will remain valid for trading, settlement, registration and delivery purposes. Shareholders should note that notwithstanding the change of the Company's name, the Company will not recall existing share certificates which will continue to be *prima facie* evidence of legal title. No further action is required on the part of Shareholders in respect of the existing share certificates

## 4. **Shareholders' Approval**

As the Proposed Business Diversification will involve an expansion of its Moneylending Business to form a core business activity of the Group, it is envisaged that the Proposed Business Diversification will change the existing risk profile of the Group. Accordingly, the Company will be convening an EGM to seek Shareholders' approval for the Proposed Business Diversification and Proposed Change of Name, notice of which will be announced in due course. A circular containing, *inter alia*, further information on the Proposed Business Diversification and the Proposed Change of Name will be despatched to Shareholders in due course.

## **5. Interests of Directors and Substantial Shareholders**

None of the Directors, Substantial Shareholders, or their respective associates has any interest, direct or indirect, in the Proposed Business Diversification (other than in their capacity as Directors or Shareholders, where applicable).

## **6. Directors' Responsibility Statement**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Business Diversification and Proposed Change of Name, the Group and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

## **BY ORDER OF THE BOARD**

**TEO BOON LENG**

Managing Director

24 September 2021

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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