TLV HOLDINGS LIMITED

A TROVE OF TREASURES

ANNUAL REPORT 2018

CONTENTS

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

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

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 Email: sponsorship@ppcf.com.sg).

CORPORATE PROFILE

Founded in 1997, TLV Holdings Limited (the "TLV Holdings" or the "Company" and together with its subsidiaries, the "Group") is an established jeweller that designs, manufactures and sells jewellery in both the local and international markets on a wholesale and retail basis.

In Singapore, the Group has a retail network of 15 outlets strategically located at various heartland districts, central and suburban malls. Its brands include Taka Jewellery, which sells quality jewellery at competitive prices, and Top Cash, which is in the pawnbroking business, and the trading and retailing of second hand jewellery and watches.

The Group expanded into the China retail market through partnership with one of the biggest jewellery consortiums in Guangdong province, Maoming Liu Tao Zhubao Chuangyi Chanye Co. Ltd. The Group currently operates three retail outlets under the brand Liutao-Taka Jewellery, in Maoming City.

The Group sells to the international market through active participation in jewellery exhibitions since 2003. Its jewelleries are sold to wholesale customers in the United States, Europe, Middle East, East Asia and Southeast Asia. The Group participates in more than 20 international exhibitions annually.

OUR BUSINESS

JEWELLERY

The Group is principally engaged in the sale of jewellery on a retail basis in Singapore under the Taka Jewellery brand and in China under the Liutao-Taka Jewellery brand, as well as on a wholesale basis to global markets through active participation in international jewellery exhibitions.

TAKA JEWELLERY

Taka Jewellery is an established brand that provides quality jewellery at competitive prices. With an extensive selection of classic and contemporary quality jewellery made from different raw materials, the brand caters to the mass market from homemakers to young working executives.

Taka Jewellery has 12 retail outlets located at various heartland districts and suburban malls throughout Singapore.

EXHIBITIONS

The Group actively participates in jewellery exhibitions around the world, selling jewellery on a wholesale basis to customers from the United States, Europe, Middle East, East Asia and Southeast Asia. We participate in exhibitions under our brands Taka Jewellery, as well as Voi which was launched in 2007 to engage in the marketing and sale of a contemporary line of jewellery.

In FY2018, the Group participated in more than 20 international exhibitions, notably the Hong Kong International Jewellery Show, Hong Kong Jewellery and Gem Fair, Baselworld in Switzerland and MidEast Watch and Jewellery Show.

PAWNBROKING

The Group ventured into the pawnbroking business and the trading and retail of pre-owned jewellery and watches under the Top Cash brand in 2013. Our pawnshops typically accept gold, platinum and silver bars and coins, value articles (such as precious stones, branded jewellery and watches) as collaterals for the loans we extend to our customers.

The Group has three pawnshops in Singapore, located in Yishun, Serangoon and City Plaza.

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS

Financial Performance

For the year ended 31 March 2018 ("FY2018"), we continued to build on our strengths to deliver robust profit growth despite a competitive business environment.

While revenue remained steady at S$111.8 million, against S$112.1 million in the year before ("FY2017"), net attributable profit to shareholders rose 59% to S$3.5 million, from S$2.2 million in FY2017. This improvement in profit reflected the effectiveness of the measures we implemented during the year to streamline operations and control cost. Operating costs, which included distribution and administrative expenses, fell by 16% to S$24.6 million, from S$29.2 million in the preceding year.

As a result of better working capital management, we had strong operating cash flows.

Our balance sheet remained robust with cash and bank balances at S$11.0 million, and minimal gearing.

Rewarding Shareholders

To thank our shareholders for their continued support, the Board is pleased to propose a first and final tax-exempt dividend of 0.219 Singapore cents per share, representing a payout of approximately 35% of profits attributable to shareholders.

Business Review

Retail and pawnbroking business

Our retail and pawnbroking business maintained steady revenue at S$61.8 million, from S$63.6 million in FY2017, despite high operating costs and keen competition.

As a player in the competitive retail business, our alertness and responsiveness to important consumer trends and development is the bedrock behind the resilience of our business model. Our agility in reacting to trends quickly and reducing our product development cycle times is of critical importance. During the year, we launched the 'Illusion' jewellery series to cater to the growing group of customers aspiring to own fancy cut diamonds without the hefty price tags. Our gold jewellery series, which was launched in FY2017 in response to growing demand, has been well received by value savvy consumers looking for affordable gold jewellery that look good and are also recession proof investments.

We also continually fine-tuned our business plans to focus our resources on maximising growth opportunities in the faster growing and more profitable outlets. Currently, our network in Singapore stands at 12 outlets.

Exhibitions business

Our international sales, through the exhibitions we participated in, showed a slight improvement to almost S$50.0 million in FY2018, against S$48.5 million in the previous year. We participated in more than 20 international jewellery exhibitions every year, where we meet and connect with our global customers who are retailers, wholesalers and traders who attend these exhibitions. Through these interactions and feedback, we are able to stay ahead of ever-changing consumer trends in different markets, and develop a good product mix to meet the diverse needs of our base of global customers.

LETTER TO SHAREHOLDERS

Moving forward

While Singapore's economic outlook for 2018 remains positive[1] , and market sentiments seem to be improving, local retailers continue to face the challenges of high operating costs and keen competition. As such, we will maintain a disciplined approach towards capital investments and cost management, while streamlining operations to increase productivity.

For our exhibitions wholesale business, we are looking at participating in new international shows that will showcase our products and open inroads into new markets, such as Japan and China. The increasing popularity of e-commerce and online shopping has also opened another distribution channel for our wholesale jewellery business, which looks promising.

Another potential growth area in 2018 is our pawnshop business, which has been growing steadily. In June 2018, we opened our third outlet in City Plaza, with intention to expand should the right opportunities arise.

Through our investment in China, our joint venture has yielded three retail outlets in Maoming City, Guangdong province.

As we centre our focus on long-term earnings growth, we will continue to distinguish ourselves by strengthening and differentiating our brand through unique and distinctive designs at affordable prices. Increased emphasis will be placed on shortening the time-to-market of new concepts and products, which is critical to our success in an increasingly competitive marketplace.

We are confident that the resilience of our business model, which has been tried and tested for 20 years, our strategic direction, our diverse range of product lines and unwavering commitment to customer service and quality will position us well to deliver growth and value to all our stakeholders.

Appreciation

Our commendable financial performance in FY2018 reflected the hard work and dedication of our employees, without which this would not have been possible. Our heartfelt thanks to all our staff. We would also like to thank our fellow Directors for their active participation and support for the Group.

To all our shareholders, customers and business partners, thank you for your unwavering support.

GOH YEOW TIN
Non-Executive Chairman
and Independent Director

TEO BOON LENG
Managing Director

[1] "Singapore's economic outlook for 2018 remains positive despite global trade risks: MAS", Straits Times, 27 April 2018.

https://www.straitstimes.com/business/economy/singapores-economic-outlook-for-2018-remains-positive-despite-global-trade-risks

A STELLAR *Resilience*

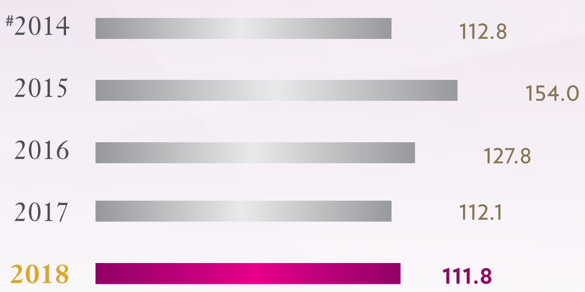
With a world that is constantly evolving, the Group seeks to remain dynamic and responsive to trends by continuously pursuing its strategy towards future growth. The Group endeavours to stay competitive by developing its Taka Jewellery and Voi brands to better address the ever-changing preferences of customers in key markets.

With efforts to further enhance its operating efficiency and exercise prudent management to control costs, the Group is able to adapt to an uncertain business environment. These strategies are essential in improving our performance while allowing us to capture new opportunities ahead.

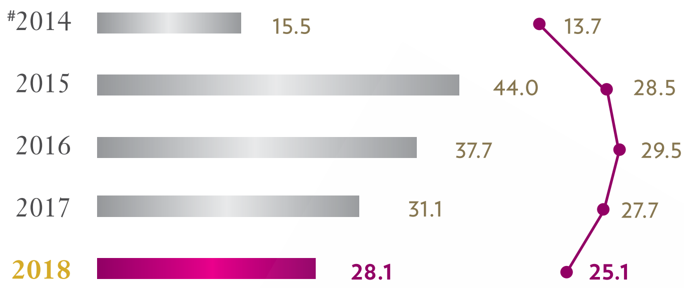
Moving forward, the Group strives to emulate the intrinsic qualities of a diamond – the resilience to rise above the challenges; and the clarity to remain focused on the future.

FINANCIAL HIGHLIGHTS

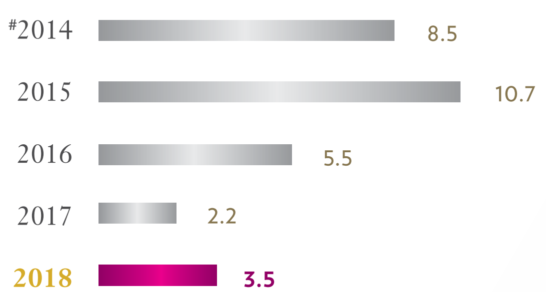
REVENUE (S$'million)



GROSS PROFIT (S$'million)
GROSS PROFIT MARGIN (%)



NET PROFIT (S$'million)



 # Financial results prior to the acquisition of Taka Gold's retail and exhibition business

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

INCOME STATEMENT	GROUP FY2018 S$'000	GROUP FY2017 S$'000
Revenue	111,813	112,102
Cost of sales	(83,718)	(81,010)
Gross profit	28,095	31,092
Other operating income	104	528
Distribution costs	(17,733)	(21,165)
Administrative expenses	(5,401)	(5,666)
Other operating expenses	(1,491)	(2,354)
Share of profit of associated company	172	175
Finance cost	(242)	(295)
Profit before tax	3,504	2,315
Income tax expense	(36)	(152)
Profit after tax	3,468	2,163

Revenue

TLV Holdings rounded off FY2018 with revenue of S$111.8 million, a marginal dip from S$112.1 million recorded in FY2017, as a result of weaker retail environment in Singapore. This was partially offset by stronger revenue growth from international exhibition business.

Revenue from the Group's retail and pawnbroking business slid 3% to S$61.8 million in FY2018 from S$63.6 million in FY2017, while exhibition business rose 3% to S$50.0 million compared to S$48.5 million a year ago. The growth in the exhibition business was mainly attributable to higher sales from the Hong Kong International Jewellery Show in March 2018.

Gross Profit

Gross profit for the year declined 10% to S$28.1 million, while gross profit margin slipped to 25.1% from 27.7% in FY2017. This was mainly due to lower margin product mix sold during the financial year.

Expenses

Overall, the Group recorded lower expenses in FY2018. Distribution costs declined 16% to S$17.7 million, mainly attributable to lower advertising and promotion expenses, lower consumables and lower rental expenses due to rationalisation of outlets during the financial year.

Lower professional fees incurred in FY2018 resulted in lower administrative expenses which declined 5% to S$5.4 million. Operating expenses also decreased 37% to S$1.5 million as a result of lower provision for doubtful debs.

Profit After Tax

The Group's net profit for the year rose 59% to S$3.5 million as compared to S$2.2 million in FY2017.

BALANCE SHEET

The Group registered a net asset position of S$103.8 million as at 31 March 2018, compared to S$101.6 million as at 31 March 2017.

Non-current assets declined 10% to S$12.1 million as at 31 March 2018, mainly due to lower fixed assets and lower rental deposits.

Current assets dipped by a marginal 1% to S$140.6 million as at 31 March 2018 due to a decline in inventories as a result of better inventory control management during the financial year. This was offset by an increase in trade and other receivables and an increase in cash and bank balances.

The increase in trade and other receivables was largely due to higher exhibition sales in 4Q2018 and higher sales from pawnbroking business in FY2018 as upfront cash were lent to customers at the point of sales; while higher profit, lower payment of dividends and lower repayment to suppliers during the financial year, led to an increase in cash and bank balances.

Current liabilities declined 8% to S$47.8 million as 31 March 2018, largely due to a decrease in trade and other payables resulting from better control of purchases and inventory control during the financial year. Income tax payable increased 19% to S$0.6 million in line with higher profit before tax in FY2018.

As a result of repayment of bank borrowings during the financial year, non-current liabilities declined 43% to S$1.1 million as at 31 March 2018 from S$1.9 million as at 31 March 2017.

CASH FLOW

STATEMENT OF CASH FLOWS	GROUP	
	FY2018 S$'000	FY2017 S$'000
Net cash generated from operating activities	2,513	84
Net cash (used in) investing activities	(132)	(931)
Net cash (used in) financing activities	(1,505)	(1,545)
Cash and cash equivalents at end of financial year	11,036	10,340

In FY2018, the Group generated net cash from operating activities of S$2.5 million, as a result of operating cash inflow before working capital changes of S$5.3 million, adjusted for working capital outflow of S$2.7 million, interest paid of S$0.2 million and net income tax refund of S$0.1 million. The net working capital outflow of S$2.7 million was mainly due to (a) a decrease in trade and other payables of S$3.3 million; (b) an increase in bills payable of S$0.1 million; (c) an increase in trade and other receivables and prepayment of S$4.2 million; and (d) a decline in inventories of S$4.7 million.

Net cash used in investing activities amounted to S$0.1 million due to purchase of fixed assets in FY2018, while net cash used in financing activities of S$1.5 million was due to payment of dividends and net repayment of bank borrowings in FY2018.

The Group's cash and cash equivalents rose 7% to S$11.0 million as at 31 March 2018, as compared to S$10.3 million as at 31 March 2017.

BOARD OF DIRECTORS

GOH YEOW TIN

Non-Executive Chairman and Independent Director

Re-appointed on 28 July 2017

Mr Goh Yeow Tin, Non-Executive Chairman and Independent Director of TLV Holdings, was appointed to the Board on 21 August 2015.

Mr Goh began his career with the Economic Development Board ("EDB") where he headed the Local Industries Unit and was subsequently appointed as a director of EDB's Automation Applications Centre from 1984 to 1986. In 1988, Mr Goh joined Tonhow Industries Limited (now known as Asiamedic Limited), the first plastic injection moulding company to be listed on SESDAQ (now known as Catalist), and served as the deputy managing director until 1990. In 1986, Mr Goh founded, and served as general manager of International Franchise Pte Ltd, a pioneer in the franchising business in Singapore, until 1988. Between 1990 and 2000, Mr Goh served as the vice-president of Times Publishing Ltd, and was responsible for retail and distribution businesses in Singapore, Hong Kong and various parts of Southeast Asia.

Mr Goh is a member of the Singapore Institute of Directors and is an Independent Director of Sheng Siong Group Ltd, Vicom Limited, AsiaPhos Limited and Lereno Bio-Chem Ltd.

In recognition of his many years of social and community services, Mr Goh was awarded the Public Service Star (Bar) in 2015 and appointed a Justice of the Peace in September 2015 by the President of the Republic of Singapore.

Mr Goh holds a Bachelor's degree in Mechanical Engineering (Hons) from the University of Singapore (now known as the National University of Singapore) and a Masters' degree in Industrial Engineering and Management from the Asian Institute of Technology.

TEO BOON LENG

Managing Director

Re-appointed on 29 July 2016

Mr Teo Boon Leng, Managing Director and co-founder of TLV Holdings since 1997, was appointed to the Board on 22 June 2015. Together with the Group's Executive Director, Mr Ang Kah Leong, he sets the overall strategic and expansion plans of the Group.

Mr Teo oversees the business development, procurement and the overseas operations of the Group and is instrumental in maintaining working relationships with suppliers and customers. He has also spearheaded the Group's growth, leading the expansion of its retail, wholesale and pawnbroking businesses and operations.

Mr Teo has more than 35 years of experience in the jewellery industry and began his career as an apprentice, learning the skills of jewellery craftsmanship at a jewellery design and manufacturing company, and subsequently established a company to manufacture jewellery. Prior to establishing the Group, he served as director at a jewellery company which was in the business of retail of jewellery and also provided customisation and alteration services for jewellery.

BOARD OF DIRECTORS

ANG KAH LEONG

Executive Director

Re-appointed on 28 July 2017

Mr Ang Kah Leong, Executive Director and co-founder of TLV Holdings since 1997, was appointed to the Board on 22 June 2015. Together with the Group's Managing Director, Mr Teo Boon Leng, he sets the overall strategic and expansion plans of the Group.

Mr Ang oversees the day-to-day operations, business development and management of the Group's business in Singapore. He is also instrumental to the Group's growth, leading the expansion of its retail, wholesale and pawnbroking businesses and operations.

Mr Ang has over 30 years of experience in the jewellery industry, having started out as a freelance craftsman. Prior to establishing the Group in 1997, Mr Ang established a partnership which dealt in the wholesale business of jewellery.

LU KING SENG

Independent Director

Re-appointed on 29 July 2016

Mr Lu King Seng, Independent Director of TLV Holdings, was appointed to the Board on 21 August 2015. He has more than 20 years of commercial and audit experience in London, Singapore and Malaysia with Deloitte & Touche, Arthur Andersen, PriceWaterhouse and KPMG where he oversaw the accounting, treasury, legal and finance matters including group restructurings and mergers and acquisitions, initial public offerings and due diligence reviews in connection with proposed merger and acquisitions.

He is currently the Managing Director of Orion Advisory Pte Ltd. He is also an independent director of a company listed on the SGX- ST and the Stock Exchange of Hong Kong Limited.

Mr Lu is a Fellow of the Association of Certified Chartered Accountants, as well as a non-practicing member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors.

CHUA KERN

Independent Director

Appointed on 21 August 2015

Mr Chua Kern, Independent Director of TLV Holdings, was appointed to the Board on 21 August 2015. Mr Chua has more than 17 years of experience in the legal industry, specialising in the areas of corporate finance, securities and capital markets and mergers and acquisitions. He is currently a director of Chancery Law Corporation, having co-founded the firm in 2005.

Mr Chua also advises companies listed on the Mainboard and Catalist of the SGX-ST in respect of their corporate finance activities and other major corporate actions. Mr Chua had worked in Messrs Colin Ng & Partners LLP, Messrs KhattarWong LLP and Messrs Peter Chua & Partners. He is currently also an independent director of GS Holdings Limited, a company listed on Catalist.

Mr Chua was admitted to the Supreme Court of Singapore as an Advocate and Solicitor in 1997. He obtained a Bachelor of Law (Honours) degree from the University of Bristol, United Kingdom, in 1995 and a Diploma in Singapore law from the National University of Singapore in 1996. He is a member of the Law Society of Singapore and the Singapore Academy of Law.

EXECUTIVE OFFICERS

IRENE NG
General Manager (Exhibitions)

Ms Irene Ng joined the Group in 2001 and is currently the Group's General Manager (Exhibitions). Ms Ng is in charge of the Group's participation in exhibitions, and was instrumental in building up the Group's exhibitions business. She establishes and maintains relationships with international customers, assists in the procurement process, and spearheads the sales and marketing team for the Group's exhibitions business.

Ms Ng helped to build up the exhibitions business from its humble beginnings in 2003 to a well-regarded and sought-after exhibitor at many international jewellery exhibitions.

JULIA TAN
General Manager (Local)

Ms Julia Tan joined the Group in 2001 and is currently its General Manager (Local). Ms Tan assists the Managing Director and Executive Director in the Group's day-to-day operations, and oversees the human resource and logistics and warehousing, and sales and marketing functions of the Group in relation to its retail business. She is also responsible for devising marketing proposals and protocols, and organising sales events, promotions and campaigns for the retail business. She has been instrumental in building up the Group's jewellery business and in establishing the Group's pawnshop business.

Ms Tan graduated with a Bachelor of Commerce (major in Business Administration, Marketing and Human Resource) from the University of Tasmania, Australia.

CHAN CHAI HEE
Group Financial Controller

Ms Chan Chai Hee joined the Group in 2015 and is currently its Group Financial Controller. She is responsible for overseeing the financial and accounting management and reporting functions of the Group. Ms Chan has more than 20 years of experience in financial and accounting and worked at two other Singapore-listed companies prior to joining the Group.

Ms Chan graduated with a Bachelor of Economics (major in Accountancy) and is a member of Chartered Accountant of Singapore.

At TLV Holdings, in addition to striving for financial sustainability, we are also mindful of giving back to society and creating a conducive working environment for our staff.

COMMITMENT TO COMMUNITY

On 30 July 2017, Taka Jewellery once again came together to support the Children's Society fundraising event - Walk for Our Children 2017. Our staff and their family members participated in the walkathon which was held at the Chinese Gardens. To further help in raising funds, Taka Jewellery took up a booth and sold costume accessories. All proceeds were donated to the Children's Society.

COMMITMENT TO EMPLOYEES

Every year, the Group gives out various awards to extend their appreciation to staff for their contribution and loyalty to the Company. In 2017, 12 recipients received 5-Year Long Service Award with each receiving an ounce 999.9 Pamp Gold; nine recipients received 10-Year Long Service Award with each receiving a 50 gram 999.9 Pamp Gold; 10 recipients received the Outstanding & Top Sales Performance Award with each receiving a 10 gram 999.9 Pamp Gold; and 17 staff were awarded the Excellent International Performance Award for their active participation and contribution at the Group's international exhibitions, with each receiving a 20 gram 999.9 Pamp Gold.

The Group's annual dinner and dance was conducted at Carlton Hotel in July 2017 to reward staff for their contributions for the year. It was an evening of merriment and lucky draw prices were given out as well.

CORPORATE INFORMATION

REGISTERED OFFICE

3 Kaki Bukit Place
Eunos Techpark
Singapore 416181

COMPANY REGISTRATION NUMBER

201526542C

BOARD OF DIRECTORS

Goh Yeow Tin
Non-Executive Chairman and Independent Director

Teo Boon Leng
Managing Director

Ang Kah Leong
Executive Director

Lu King Seng
Independent Director

Chua Kern
Independent Director

NOMINATING COMMITTEE

Chua Kern (Chairman)
Goh Yeow Tin
Lu King Seng

REMUNERATION COMMITTEE

Goh Yeow Tin (Chairman)
Lu King Seng
Chua Kern

AUDIT COMMITTEE

Lu King Seng (Chairman)
Goh Yeow Tin
Chua Kern

COMPANY SECRETARY

Wong Yoen Har, ACIS

SPONSOR

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SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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AUDITOR

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Partner-in-charge: Ang Chuen Beng
(Date of appointment: Since financial year ended 31 March 2017)

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The HongKong and Shanghai Banking Corporation Limited
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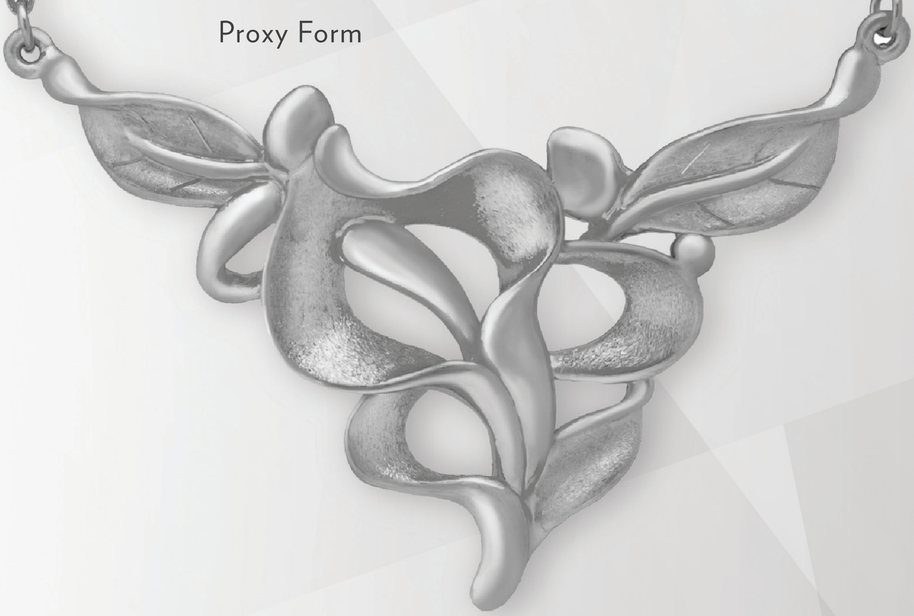
FINANCIAL CONTENTS



CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "**Board**" or "**Directors**") of TLV Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") is committed to ensuring a high standard of corporate governance so as to strengthen corporate transparency and accountability, protect the interests of the shareholders of the Company (the "**Shareholders**"), promote investor confidence and maximise long-term shareholder value. The Corporate Governance Report (the "**Report**") describes the Group's corporate governance structures and practices currently in place with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**"), where applicable, the SGX-ST Listing Manual, Section B: Rules of Catalist (the "**Catalist Rules**").

The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.

A. BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

As at the date of this Report, the Board comprises the following five (5) members:

Directors	Board membership	Audit committee [1]	Nominating committee [1]	Remuneration committee [1]
Goh Yeow Tin	Non-Executive Chairman and Independent Director	Member	Member	Chairman
Teo Boon Leng	Managing Director	–	–	–
Ang Kah Leong	Executive Director	–	–	–
Lu King Seng	Independent Director	Chairman	Member	Member
Chua Kern	Independent Director	Member	Chairman	Member

Note:

(1) *The AC, NC and RC each comprises of 3 members, of whom all are independent and non-executive Directors.*

The principal function of the Board is to provide leadership to the Group and to protect and enhance long-term value for Shareholders and other stakeholders.

Besides carrying out its statutory responsibilities, the Board's role is to:

1.1 Approve the board policies, strategies (including sustainability issues) and financial objectives of the Company and monitor the performance of management;

1.2 Oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

1.3 Approve the nominations of directors and appointment of key personnel;

1.4 Align the interests of the Board and Management with that of shareholders and balance the interest of all stakeholders; and

1.5 Ensure compliance with all laws and regulations as may be relevant to the business.

Specifically, matters and transactions that require the Board's approval include, amongst others, the following:

- corporate strategy and business plans;
- material acquisitions and disposals;
- share issuance, dividend release or changes in capital;
- budgets, financial results announcements, annual report and audited financial statements;
- capital expenditures;
- capital borrowings and financial commitments; and
- material interested person transactions.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and is obliged to act in good faith and take objective decisions as fiduciaries and in the interests of the Group.

Delegation of authority to Board committees

The Board has delegated certain responsibilities to the Audit Committee ("**AC**"), the Remuneration Committee ("**RC**") and the Nominating Committee ("**NC**") (collectively, the "**Board Committees**"). The composition of the Board Committees has been set out above.

Meetings of Board and Board committees

The schedules for all Board and Board Committee meetings as well as the Annual General Meeting ("**AGM**") are planned in advance. The Board meets at least four times a year to review and approve, inter alia, the quarterly financial results of the Group. The Board also meets on an ad-hoc basis as warranted by circumstances to supervise, direct and control the Group's business and affairs. Apart from approvals obtained at Board meetings, important matters are also put to the Board for approval by way of circulating resolutions in writing.

The attendance of each Director at meetings of the Board and Board Committees during the financial year ended 31 March 2018 ("**FY2018**") is disclosed as follows:-

	Board	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Number of meetings held	**4**	**4**	**1**	**1**
Name of Director		**Number of Meetings Attended**		
Goh Yeow Tin	4	4	1	1
Teo Boon Leng	4	4*	1*	1*
Ang Kah Leong	4	4*	1*	1*
Lu King Seng	4	4	1	1
Chua Kern	4	4	1	1

* By invitation

The Company's Constitution (the "**Constitution**") allows for meetings to be conducted by way of telephone conference and/or video conference.

Management keeps the Directors up-to-date on pertinent developments including the Group's business, financial reporting standards and industry-related matters. Such periodic updates provided to the Directors facilitate the discharge of their duties. The Directors are also encouraged to keep abreast of developments in legal, regulatory and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in training courses, seminars and workshops as relevant and/or applicable, with the cost of such training borne by the Company. At each Board meeting, the Managing Director (the "**MD**") updates the Board on the business and strategic developments of the Group.

The Company is responsible for arranging and funding regular training for the Directors from time to time particularly on changes in and/or addition to the relevant laws, regulations and changing commercial risks to enable them to make well-informed decision and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. During the financial year, the Board was briefed and/or updated by: (i) the external auditors ("**EA**") on changes or amendments to accounting standards; and (ii) the Company Secretary on regulatory changes, such as changes to the Companies Act and/or the Catalist Rules.

The Company will conduct briefings and orientation programs to familiarise newly appointed directors with the various businesses, operations and processes of the Group. Further, newly appointed Directors will be provided with a formal letter of appointment setting out their duties and obligations and appropriate training to ensure that they are fully aware of their responsibilities and obligations of being a Director of a listed company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently comprises two (2) Executive Directors and three (3) Independent Directors. Accordingly, Guideline 2.1 of the Code is met as the Independent Directors make up more than 50% of the Board. The Company has not appointed a Lead Independent Director as the Company is not required pursuant to Guideline 3.3 of the Code, given that the Chairman and CEO are different persons, not immediate family members, and the Chairman is an independent director who is not part of the management team.

The Board takes into account the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent. In addition, the NC reviews the individual directors' declaration in their assessment of independence. The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code.

There is no Independent Director who has served beyond nine years from the date of his first appointment. There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Composition and size of the board

The NC has reviewed and is satisfied that the current composition and size of the Board and Board Committees are appropriate for effective decision making, having taken into consideration the nature and scope of the Group's operations, the balance and diversity of, amongst other factors, skills and experience. The Board comprises Directors who are qualified and experienced in various fields including accounting and finance, legal, business and management experience and the requisite industry knowledge. The NC is of the view that the current Board comprises members who as a group possess core competencies necessary to lead and manage the Group effectively.

For FY2018, the Independent Directors have met once in the absence of key management personnel.

CHAIRMAN AND MANAGING DIRECTOR

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The roles of the Chairman and MD are separate and distinct, each having their own areas of responsibilities and functions, thus ensuring an appropriate balance of power and authority, and allowing for increased accountability and greater capacity of the Board for independent decision making. The Chairman is not related to the CEO.

Mr Goh Yeow Tin is the Non-Executive Chairman and Independent Director and he sets up the Group's vision and objectives, provides guidance to the Group and leads the Board discussions and deliberations. Mr Teo Boon Leng is the MD of the Company and he supervises the day-to-day business operations of the Group with the support of Executive Director Mr Ang Kah Leong together with management, as well as formulating long-term strategies and policies of the Group.

The Independent Directors will meet in the absence of the other directors as and when circumstances warrant. In FY2018, the Independent Directors have met once in the absence of other Directors.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises three (3) members, all of whom, including the NC Chairman, are independent.

Chua Kern (Chairman)
Goh Yeow Tin
Lu King Seng

The date of appointment of each Director as well as their present and past directorships in other listed companies and principal commitments as at the date of this Report are set out below:-

Directors	Date of Initial Appointment	Date of Last Re-election	Directorships in other listed companies		Principal commitment
			Current	Past three years	
Teo Boon Leng	22 June 2015	29 July 2016	Nil	Nil	Nil
Ang Kah Leong	22 June 2015	28 July 2017	Nil	Nil	Nil
Chua Kern	21 August 2015	–	GS Holdings Limited	Nil	Director of Chancery Law Corporation
Goh Yeow Tin	21 August 2015	28 July 2017	Lereno Bio-Chem Ltd. Vicom Ltd Sheng Siong Group Ltd. AsiaPhos Limited	Singapore Post Limited	Non-Executive Chairman of Seacare Medical Holdings Pte. Ltd. as well as Non-Executive Director of Linknet Pte Ltd, WaterTech Pte. Ltd., Seacare Manpower Services Pte. Ltd., Edu Community Pte. Ltd. and Kiran Electronic B & C Services Pte. Ltd.
Lu King Seng	21 August 2015	29 July 2016	GEO Energy Resources Limited Jlogo Holdings Limited	Green Build Technology Limited	Managing Director of Orion Advisory Pte. Ltd., Orion Business Advisory Pte. Ltd. and Golden Union Advisory Pte. Ltd.

The NC met once in FY2018. The NC is guided by key terms of reference as follows:

4.1 Review, assess and make recommendations to the Board on the appointment including the composition of the Board;

4.2 Review regularly the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of the Company and the core competencies of the Directors as a Group;

4.3 Assess the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board;

4.4 Make and review plans for succession, in particular for the Chairman of the Board and Group MD;

4.5 Determine on an annual basis the independence of Directors;

4.6 Review and recommend to the Board comprehensive induction training programmes for the Board and new Directors; and

4.7 Recommend Directors who are retiring by rotation to be put forward for re-election.

There is a formal and transparent process for the appointment of new Directors to the Board. When a vacancy on the Board arises or when the Board is considering making a new Board appointment either to enhance the core competency of the Board or for purpose of progressive renewal of the Board, the NC will review and assess candidates before making recommendations to the Board. In recommending new appointments, the NC takes into consideration the balance and diversity of skills, calibre, experience, expertise, attributes, ability and gender, amongst other factors, required to support the Group's business activities or strategies, the current composition and size of the Board, and strives to ensure that the Board has an appropriate balance of Independent Directors. The NC would consider candidates proposed by the Directors and key management personnel and may engage external search consultants where necessary.

After shortlisting the candidates, the NC shall consider and interview candidates on merit against objective criteria, taking into consideration whether the candidate can devote sufficient time and attention to the affairs of the Group.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Company's Constitution provides that one-third of the Board, or the number nearest to one-third is to retire by rotation at every AGM. In addition, the Company's Constitution also provides that new Directors appointed during the year either to fill a vacancy or as an addition to the Board are required to submit themselves for re-election at the next AGM of the Company.

The NC, in considering the re-election of a director, evaluates such director's contribution and performance, such as his attendance at meeting of the Board and/or Board committees, participation, candour and any special contribution.

All NC members have abstained from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested.

The NC has recommended and the Board has agreed for the following Directors to retire and seek re-election at the forthcoming AGM pursuant to Article 114 of the Company's Constitution:

Mr Teo Boon Leng
Mr Chua Kern

Mr Chua Kern, being the Chairman of the NC, has abstained from deliberation in respect of his own nomination.

Mr Teo Boon Leng will, upon re-election as Director of the Company, remain as Managing Director of the Company and Executive Director of the Company.

Mr Chua Kern will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. The Board considers Mr Chua Kern to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Saved as disclosed, neither Mr Chua Kern nor Mr Teo Boon Leng, has any other relationships between themselves, the Company and its 10% Shareholders.

When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his duties, taking into consideration the Director's number of listed board representations, the Director's other principal commitments, the roles and scope of responsibilities of these principal commitments and involvement of any other activities outside of these principal commitments, among other factors. The NC has reviewed the time spent and attention given by each Director to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2018.

The Board has not determined the maximum number of listed company board representations each Director may hold as it is of the view that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The Board does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

As at the date of this Report, the Company does not have any alternate Director. Alternate directors will be appointed as and when the Board deems necessary.

Key information of each Director can be found on pages 8 and 9 of this Annual Report.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board and its board committees as a whole and the contribution by each Director to the effectiveness of the Board.

The NC and the Chairman of the Board implemented a self-assessment process that required each Director to assess the effectiveness of the Board and Board Committees as a whole. The self-assessment process took into consideration performance criteria such as, inter alia, Board size and composition, corporate strategy and planning, risk management and internal control, performance measurement and compensation, succession planning, financial reporting, conduct of meetings and communication with shareholders.

The evaluations are designed to assess the Board's and the Board Committees' effectiveness to enable the NC and Board to identify the areas of improvement or enhancement which can be made to the Board. The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment, taking into consideration where applicable, industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year. It is of the view that the performance of the Board and the Board Committees as a whole has been satisfactory and the Board and the Board Committees has met its performance criteria and objectives in FY2018. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

The Board has not engaged any external facilitator in conducting the assessment of the performance of the Board and Board Committees. Where relevant, the NC will consider such engagement.

ACCESS TO INFORMATION

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full-year results announcements, other price-sensitive public reports and reports to regulators (if required).

Management recognises the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities. To allow the Directors sufficient time to prepare for the meetings, all Board and Board Committee papers are distributed to the Directors in advance of the meetings. Updates on the Group's financial performance, position and prospects, amongst others, are also distributed to the Directors in advance of the Board and Board Committee meetings, as well as on an on-going basis, as practicable. The Management will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board and Board Committees to make a balanced and informed assessment of the Group's performance, position and prospects.

Management will also on best endeavours, encrypt documents which material price sensitive information when circulating documents electronically.

The Company Secretary is represented at all meetings of the Board and Board Committees; attends and prepares agendas and minutes for all Board and Board Committee meetings. The appointment and removal of the Company Secretary is subject to the approval of the Board. Changes to regulations are briefed at the Board and Board Committee meetings or on an on-going basis as and when the changes arise, especially where these changes have an important bearing on the Company's or the Directors' disclosure obligations.

The Directors have separate and independent access to the Company Secretary, EA, IA and senior management at all times in carrying out their function. Should the Directors, whether as a group or individually, require independent professional advice, the Board will appoint a professional advisor to render the advice. The cost of such professional advice will be borne by the Company.

B. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises three (3) members all of whom, including the RC Chairman, are independent.

Goh Yeow Tin (Chairman)
Lu King Seng
Chua Kern

The RC met once in FY2018. The RC is guided by key terms of reference as follows:

7.1 To recommend to the Board a framework for remuneration for each Director and key management personnel of the Group. The framework covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits in kind;

7.2 To review and recommend Directors' fees for approval at the AGM;

7.3 To determine specific remuneration packages for each Executive Director as well as key management personnel so as to ensure that the packages are competitive and sufficient to attract, retain and motivate the Directors and key management personnel of the required quality to run the Group successfully;

7.4 To review the remuneration packages of employees related to Directors, MD and/or Substantial Shareholders, to ensure that their remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility; and

7.5 To perform such other duties or functions as may be delegated by the Board or required by regulatory authorities.

Each member of the RC has abstained from voting on any resolution in respect of his own remuneration package and fee.

Each Executive Director has entered into a service agreement ("**Service Agreement**") with the Company dated 21 August 2015 for a period of three years and a supplemental service agreement dated 1 April 2016.

The Company had engaged an independent remuneration consultant firm, Aon Hewitt Singapore Pte. Ltd. ("**Aon Hewitt**"), for professional advice on an executive compensation benchmarking and short-term incentive review of the Executive Directors of the Group, to ensure that their remunerations are competitive. In its deliberations, Aon Hewitt took into consideration industry practices and norms in compensations.

Contractual provisions are stipulated in the supplemental Service Agreements of the Executive Directors which allows the Company to reclaim incentives in cases of willful misconduct and/or gross negligence by the Executive Directors. In addition, the Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk-policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Directors' fees are payable to the Non-Executive Directors taking into account factors such as the effort and time spent and their scope of responsibilities. Directors' fees are recommended by the RC and the Board for approval by Shareholders at the AGM.

The remuneration of key management personnel are set in accordance with a remuneration framework comprising salary, variable bonus, shares and benefits-in-kind, after taking into consideration his or her individual performance and contribution towards the overall performance of the Company in FY2018. All revisions to the remuneration packages for the Executive Directors and key management personnel are subject to the review by and recommendation of the RC and the approval of the Board,

No Director is involved in deciding his own remuneration package.

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

REMUNERATION OF DIRECTORS

After reviewing the industry practice and analyzing the advantages and disadvantages in relation to the full detailed disclosure of remuneration of each Director and key management personnel as recommended by the Code, the Company is of the view that doing so would be prejudicial to its business interests given the highly competitive jewellery retail/ exhibition industry that the Group operates in, and hamper its' ability to retain and nurture the Group's talent pool. Instead, the remunerations of Directors and Key Management are disclosed in bands as follows:-

A breakdown showing the level and mix of each individual Director's remuneration in FY2018 (in percentage terms) is disclosed below:-

Name of Director	Remuneration Band	Directors fee %	Salary[1] %	Bonuses[1] %	Other Benefits %	Total %
Goh Yeow Tin	A	100%	–	–	–	100%
Teo Boon Leng	D	–	69%	28%	3%	100%
Ang Kah Leong	C	–	81%	17%	2%	100%
Lu King Seng	A	100%	–	–	–	100%
Chua Kern	A	100%	–	–	–	100%

Band A refers to remuneration of up to S$250,000 per annum
Band B refers to remuneration from S$250,001 to S$500,000 per annum
Band C refers to remuneration from S$500,001 to S$750,000 per annum
Band D refers to remuneration from S$1,000,001 to S$1,250,000 per annum
Note 1: Amount inclusive of contribution to employer provident funds

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Company only has 3 top key management personnel. The remuneration received by the top 3 key management personnel (who are not Directors or the MD) in FY2018 is disclosed below:-

Top 3 Key Management Personnel (who are not directors or the MD)

Name of Executive	Remuneration Band
Irene Ng	B
Julia Tan	A
Chan Chai Hee	A

Band A refers to remuneration of up to S$250,000 per annum

Band B refers to remuneration from S$250,001 to S$500,000 per annum

The annual aggregate amount of the total remuneration paid to top 3 key management personnel (who are not Directors or the MD) is approximately S$681,000. There were no termination or retirement benefits and post-employment benefits granted to the Directors and key management in FY2018.

There are three employees who are the immediate family members of a Director namely, Ms Macvis Teo, daughter of Mr Teo Boon Leng (MD), with an annual salary of between $100,000 to $150,000 , Ms Wennie Teo, niece of Teo Boon Leng (MD), of the Company with an annual salary of $50,000 to $100,000 and Mr Presley Teo, son of Teo Boon Leng (MD), of the Company with an annual salary of $50,000 to $100,000.

The Company does not have any employee share option scheme and performance share award in FY2018.

C. ACCOUNTABILITY AND AUDIT ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board approves quarterly financial statements and authorises its release to the Shareholders. The Board also provides Shareholders with updates of new business developments, material contracts entered into and other material information via public announcements on SGXNET from time to time. The Board recognises the importance of providing accurate and relevant information on a timely basis in compliance with statutory and regulatory requirements. Hence, the Directors receive quarterly financial and other reports from the management, in order for the Board to make a balanced and informed assessment of the Group's financial performance, position and prospects, as well as, management's achievements of the goals and objectives determined by the Board. In accordance with the Catalist Rules, the Board issued negative assurance statements in the quarterly financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board notes that the Group's system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. Nonetheless, the Board acknowledges that it is responsible for reviewing the adequacy of internal controls addressing financial, operational, compliance risks and information technology ("IT") controls and effectiveness of the Group's risk management systems. The Board also recognizes its responsibilities in ensuring a sound system of internal controls to safeguard Shareholders' interests and the Group's assets. The Board will look into the need for establishment of a separate Board risk committee at the relevant time.

The management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems and to provide the Board with a basis to determine the Group's level of risk exposure, risk tolerance and risk policies.

The AC will ensure that a review of the effectiveness of the Group's material internal controls, including, financial, operational, compliance, IT controls and risk management, is conducted annually. In this respect, the AC will review the audit plans and the findings of the EA and IA, and will ensure that management follows up on the EA and IA's recommendations raised, if any, during the respective audit process.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the IA, the audit findings of the EA and reviews performed by the Board, the AC and the management, the Board, with the concurrence of the AC, is of the view that the internal controls addressing financial, operational, compliance risks and information technology ("IT") controls and effectiveness of the Group's risk management were adequate and effective for FY2018.

For FY2018, the Board had received assurances from the MD and the Group Financial Controller ("GFC"):-

(i) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(ii) that the Group's risk management and internal control systems are effective.

The Board has relied on the external and internal auditor's reports as further assurance on the financial statements and internal control system respectively.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises three (3) members all of whom, including the AC Chairman, are independent.

Lu King Seng (Chairman)
Goh Yeow Tin
Chua Kern

The AC meets at least on a quarterly basis and has met four times during FY2018. The AC is guided by the following key terms of reference:

12.1 Recommend to the Board of Directors, the appointment and re-appointment of EA and IA, the level of their remuneration;

12.2 Review all non-audit services provided by the EA so as to ensure that any provision of such services would not affect the independence of the EA;

12.3 Review (with the other committees, management, and the EA and IA) significant risks or exposures that exist and assess the steps management has taken to minimise such risk to the Company;

12.4 Review interested person transactions;

12.5 Review:-

- The EA's audit of the annual financial statements and reports;
- The adequacy of the Group's system of accounting controls;
- The level of assistance and cooperation given by management to EA;
- Any significant findings and recommendations of the EA and IA and the related management's responses thereto; and
- Any significant changes required in the EA's audit plan, any serious difficulties or disputes with management encountered during the course of the audit and their resolution, and other matters related to the conduct of the audit.

12.6 Review and report actions and resolutions of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and

12.7 Review the adequacy and effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology controls) and to report to the Board annually.

The AC has explicit authority to investigate any matter within its terms of reference. The AC has full access to, and the cooperation of the management, as well as the EA and IA, respectively. The AC also has full discretion to invite any Director or any member of management to attend its meeting. The AC has adequate resources, including access to external professional advisors if required and auditors, to enable it to discharge its responsibilities properly.

The Board considers Mr Lu King Seng to have extensive and practical financial management knowledge and experience, well-qualified to chair the AC. The other members of the AC bring with them invaluable experience in finance and business management. The Board is of the view that the AC members are appropriately qualified in that they have sufficient accounting or related financial management expertise and experience to discharge the duties and responsibilities of the AC.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the financial statements of the Group, the AC is encouraged to participate in relevant training courses, seminars and workshops, and to seek advice from the EA at the AC meetings that are held.

The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM. The audit fees and non-audit fees paid or payable to the EA for FY2018 amounted to S$140,000 and nil respectively.

The Board and the AC Committee confirm that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of the EA.

The AC has met with the EA and the IA at least once in the absence of key management personnel in FY2018.

The Group has put in place a whistle-blowing framework (the "**Whistle-Blowing Policy**") endorsed by the AC where the employees of the Group may, in confidence, raise concerns about possible corporate improprieties on matters of financial reporting or other matters. A dedicated secured email address has been set up to allow whistle-blowers to contact the Chairman of the Board directly.

Details of the Whistle-Blowing Policy and arrangements have been made available to all employees of the Group. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action, and provides assurance that whistle blowers will be protected from reprisal within the limits of the law.

The AC shall commission and review the findings of internal investigations where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. There were no whistle-blowing reports received in FY2018.

None of the AC members were previous partners or directors of the Company's EA within the last twelve months and none of the AC members hold any financial interest in the EA.

INTERNAL AUDIT

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises the importance of maintaining an internal audit function to provide an independent assurance over the soundness of the system of internal controls within the Group to safeguard shareholders' investments and the Company's assets. The Company's internal audit function is outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PwC**") with a primary line of reporting to the AC. The AC is responsible for the hiring, removal, evaluation and compensation of the IA.

The IA has full access to documents, records, properties and personnel of the Group. The IA plans its internal audit schedules in consultation with the management and its plans, IA reports and activities are reviewed and approved by the AC to ensure, inter alia, the adequacy of the scope of the audit. The internal audit plan complements that of the EA and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.

The AC reviews the reports issued by the IA to ensure that the Group's internal controls including financial, operational, compliance and IT controls are robust and effective, and follows up with management and the IA in ensuring that the IA's recommendations agreed with management have been adequately and appropriately implemented.

The IA performs its works in line with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC, having considered, amongst others, the reputation and track record of PwC and the qualifications, experience and availability of resources and independence of the team at PwC, is satisfied that the appointment of PwC as IA is appropriate and has the appropriate standing in the Company to discharge its duties effectively.

The AC, on an annual basis, assesses the effectiveness of the IA by examining the scope of the internal audit work, its independence and the IA's findings.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company does not practice selective disclosure of material information. In line with the continuing disclosure obligations under the Catalist Rules, the Board informs Shareholders promptly of all major developments that may have a material impact on the Group. All of the Company's announcements are released via SGXNET, including the financial results, annual reports, distribution of notices, press releases, analyst briefings, presentations, announcements on acquisitions and other material developments. When press conferences and briefings are held on major events and financial results, the management will only meet the press and analysts after the announcement is released on SGXNET.

Shareholders are informed of general meetings through notices published in the newspaper and the Company's announcements and press releases via SGXNET as well as through reports/circulars sent to all Shareholders. All Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at these general meetings.

An independent voting agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

General meetings are still the principal forum for dialogue with Shareholders. To promote a better understanding of Shareholders' views, the Board encourages Shareholders to participate during the Company's general meetings. At these meetings, Shareholders are able to engage the Board and the management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views and address Shareholders' concerns at general meetings. The Company is open to meetings with investors and analysts, and in conducting such meetings, is mindful to ensure fair disclosure. In addition, the Company has engaged August Consulting Pte Ltd to address any queries that the investors, analysts, press or public might have on the Company's affairs.

The Company has in place an investor relations policy, posted on its corporate website, http://www.tlvholdings.com.sg, to promote regular, effective and fair communication. The Company's investor relations website is a key resource of information for the investment community. It contains comprehensive information on the Company, including the Group's corporate announcements, news releases, annual reports and corporate information.

Currently, the Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on amongst others, the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. For FY2018, the Board has proposed a final one-tier tax exempt cash dividend of 0.219 Singapore cents per ordinary share, subject to shareholders' approval at the forthcoming Annual General Meeting.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company supports active shareholder participation at general meetings. If shareholders are unable to attend the meetings, the Company's Constitution allows for a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder.

The Board ensures that separate resolutions are proposed for approval on each distinct issue at general meetings.

The Chairman of the Board, the Board Committees and the GFC attend all general meetings to address issues raised by Shareholders. The EA is also invited to attend the AGM and is available to assist the Directors and the GFC in addressing any relevant queries by the Shareholders relating to the conduct of the audit and the preparation of the contents of the auditors' report.

The minutes of general meetings which include queries from Shareholders and responses from the Board will be made available to Shareholders upon written request.

To ensure that all Shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings of the Company will be conducted by poll where Shareholders are accorded voting rights proportionate to their shareholding and all votes will be counted and announced immediately at the meeting. The detailed results including the total number and percentage of votes cast for and against each resolution will be announced via SGXNET after the conclusion of the general meeting.

DEALING IN SECURITIES (RULE 1204(19) OF THE CATALIST RULES)

The Group has adopted a policy whereby the Directors and employees are prohibited from dealing in the securities of the Company while in possession of price-sensitive information as well as during the period commencing one (1) month before the announcement of the Company's full year results and two (2) weeks before the announcement of the interim financial results until the said results announcement has been made. The Directors and employees of the Group are to refrain from dealing in the Company's securities on short-term considerations.

The Directors and employees of the Group are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions. Directors and employees of the Group are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period.

NON-SPONSOR FEES (RULE 1204(21) OF THE CATALIST RULES)

$4,000 non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., for FY2018.

INTERESTED PERSON TRANSACTIONS

The Group has established internal control policies to ensure that transactions with interested persons are properly reviewed and approved, and are conducted at an arm's length commercial terms basis. Any Director, MD and/or controlling Shareholder who is interested in a transaction will abstain and refrain from deliberating, discussing, making recommendations and approving the transaction.

The Group does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

There were no other interested person transactions of value more than S$100,000 and above in FY2018.

MATERIAL CONTRACTS (RULE 1204(8) OF THE CATALIST RULES)

There were no material contracts entered into by the Group involving the interests of the MD, any Director or controlling shareholder, who are either still subsisting at end of FY2018 or if not then subsisting, entered into since the end of the previous financial year.

SUSTAINABILITY REPORTING

The Company is working towards the issuance of its first sustainability report by 31 March 2019 and such report will be made available to Shareholders on the SGXNET and the Company's website.

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of TLV Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2018.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Teo Boon Leng
Ang Kah Leong
Goh Yeow Tin
Lu King Seng
Chua Kern

Arrangements to enable Directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The Directors of the Company, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company, as stated below:

	Held in the name of the director		**Deemed interest**	
Name of Director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Teo Boon Leng	171,359,753	171,359,753	–	–
Ang Kah Leong	157,884,355	157,884,355	–	–

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Teo Boon Leng and Ang Kah Leong are deemed to have an interest in all the shares held by the Company in its subsidiaries.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2018.

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

Options

No options were granted by the Company to any persons to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of any exercise of option to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Ang Kah Leong
Director

Teo Boon Leng
Director

Singapore
29 June 2018

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TLV Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2018, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1. *Allowance for impairment of trade receivables from the Group's jewellery business*

The Group's trade receivables mainly relate to the Group's exhibition jewellery business and are significant to the Group as they represent 32% of the Group's total assets as at year end.

The collection of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The Group's policy for allowance for impairment of trade receivables is based on the evaluation of collectability and aging analysis of trade receivables and this requires management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and past collection history of the debtors. As such, we determined that this is a key audit matter.

Key Audit Matters (cont'd)

1. Allowance for impairment of trade receivables from the Group's jewellery business (cont'd)

Our audit procedures to address the adequacy of allowance for impairment of trade receivables included, amongst others, reviewing the Group's credit control procedures in respect of monitoring and managing the credit risk of trade receivables. We performed procedures to obtain evidence of receipts from the debtors subsequent to the balance sheet date and assessed the Group's policy on allowance for impairment of trade receivables through analyses of the Group's trade receivables ageing report and assessment of significant overdue individual trade receivables. For overdue debts with no subsequent receipts and where no allowance for doubtful debts was recognised, we reviewed the debtors' past payment trends and discussed with management if there are any disputed receivables with these debtors.

We also assessed the adequacy of the disclosures related to the Group's trade receivables in Note 16 to the financial statements.

2. Valuation and existence of inventories

As of 31 March 2018, the Group's total inventories and the related allowance for slow moving inventories amounted to $78,623,000 and $2,000 respectively.

We focused on inventories as their carrying amounts are material to the financial statements and there is a high inherent risk of theft and pilferage. In addition, the determination of allowance for slow moving inventories involves a high level of management judgement. Accordingly, we identified this as a key audit matter.

We obtained an understanding of the Group's internal controls with respect to physical safeguards over inventories. We also attended and observed management's year-end inventory counts at material outlets and selected inventories on a sample basis and traced the counted quantity to management's records. With respect to slow moving inventories, we reviewed management's assessment and evaluated the adequacy of allowance made for slow moving inventories. We performed overall analytical review of inventory balances and recomputed management's calculation of inventory turnover days which is one of the considerations in determining the quantum of allowance. We also reviewed on a sample basis, management's assessment of the net realisable value of these inventories by comparing them against market value as part of the assessment.

We also assessed the adequacy of the disclosures related to the Group's inventories in Note 15 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Ang Chuen Beng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
29 June 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

	Note	Group 2018 $'000	Group 2017 $'000
Revenue	4	111,813	112,102
Cost of sales		(83,718)	(81,010)
Gross profit		28,095	31,092
Other operating income	5	104	528
Distribution costs		(17,733)	(21,165)
Administrative expenses		(5,401)	(5,666)
Other operating expenses		(1,491)	(2,354)
Share of profit of associate		172	175
Finance costs	6	(242)	(295)
Profit before tax	7	3,504	2,315
Income tax expense	9	(36)	(152)
Profit after tax		3,468	2,163
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(88)	57
Share of foreign currency translation of associate		(314)	207
Total comprehensive income		3,066	2,427
Profit after tax attributable to:			
Owners of the Company		3,469	2,163
Non-controlling interest		(1)	–
		3,468	2,163
Total comprehensive income attributable to:			
Owners of the Company		3,067	2,427
Non-controlling interest		(1)	–
		3,066	2,427
Earnings per share			
Basic and Diluted (cents)	10	0.62	0.39

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2018

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
ASSETS					
Non-current assets					
Investment in subsidiaries	11	–	–	82,076	82,076
Investment in associate	12	5,421	5,563	–	–
Fixed assets	13	5,173	5,772	–	–
Trademarks	14	845	985	–	–
Other receivables	16	638	1,098	–	–
		12,077	13,418	82,076	82,076
Current assets					
Inventories	15	78,623	83,349	–	–
Trade and other receivables	16	50,852	48,384	15,113	14,089
Prepayments		73	121	21	19
Cash and bank balances	17	11,036	10,340	2,325	2,935
		140,584	142,194	17,459	17,043
Total assets		152,661	155,612	99,535	99,119
LIABILITIES					
Current liabilities					
Loans and borrowings	18	11,321	10,923	–	–
Trade and other payables	19	35,812	40,624	837	962
Income tax payable		618	521	–	–
		47,751	52,068	837	962
NET CURRENT ASSETS		92,833	90,126	16,622	16,081
Non-current liabilities					
Loans and borrowings	18	588	1,366	–	–
Deferred tax liabilities	20	245	245	–	–
Provision	21	255	310	–	–
		1,088	1,921	–	–
Total liabilities		48,839	53,989	837	962
NET ASSETS		103,822	101,623	98,698	98,157
Equity attributable to owners of the Company					
Share capital	22	96,719	96,719	96,719	96,719
Merger reserve		(64,502)	(64,502)	–	–
Treasury shares	23	(698)	(698)	(698)	(698)
Translation reserve		305	694	–	–
Statutory reserve		–	55	–	–
Retained earnings		71,998	69,354	2,677	2,136
Equity attributable to equity holders		103,822	101,622	98,698	98,157
Non-controlling interest		–	1	–	–
Total equity		103,822	101,623	98,698	98,157

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Share capital (Note 22) $'000	Merger reserve $'000	Treasury shares (Note 23) $'000	Foreign currency translation reserve [1] $'000	Retained earnings $'000	Legal reserve [2] $'000	Non-controlling Interest $'000	Total equity $'000
Group								
Opening balance as at 1 April 2017	96,719	(64,502)	(698)	694	69,354	55	1	101,623
Profit for the year	–	–	–	–	3,469	–	(1)	3,468
Other comprehensive income								
Foreign currency translation	–	–	–	(88)	–	–	–	(88)
Foreign currency translation – write off of investment in subsidiary	–	–	–	13	(13)	–	–	–
Share of foreign currency translation of associate	–	–	–	(314)	–	–	–	(314)
Total comprehensive income	–	–	–	(389)	3,456	–	(1)	3,066
Distributions to owners								
Dividends paid (Note 24)	–	–	–	–	(867)	–	–	(867)
Legal reserve [2]	–	–	–	–	55	(55)	–	–
Total transactions with owners in their capacity as owners	–	–	–	–	(812)	(55)	–	(867)
Capital contribution by non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–
Closing balance as at 31 March 2018	96,719	(64,502)	(698)	305	71,998	–	–	103,822

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	Share capital (Note 22) $'000	Merger reserve $'000	Treasury shares (Note 23) $'000	Foreign currency translation reserve [1] $'000	Retained earnings $'000	Legal reserve [2] $'000	Non-controlling Interest $'000	Total equity $'000
Group								
Opening balance as at 1 April 2016	96,719	(64,502)	–	430	69,362	55	–	102,064
Profit for the year	–	–	–	–	2,163	–	–	2,163
Other comprehensive income								
Foreign currency translation	–	–	–	57	–	–	–	57
Share of foreign currency translation of associate	–	–	–	207	–	–	–	207
Total comprehensive income	–	–	–	264	2,163	–	–	2,427
Distributions to owners								
Dividends paid (Note 24)	–	–	–	–	(2,171)	–	–	(2,171)
Share buyback exercise (Note 23)	–	–	(698)	–	–	–	–	(698)
Total transactions with owners in their capacity as owners	–	–	(698)	–	(2,171)	–	–	(2,869)
Capital contribution by non-controlling interest in a subsidiary	–	–	–	–	–	–	1	1
Closing balance as at 31 March 2017	96,719	(64,502)	(698)	694	69,354	55	1	101,623

(1) ***Foreign currency translation reserve***
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the share of foreign currency translation reserve of associate.

(2) ***Legal reserve***
UAE Federal Law requires all local companies to allocate 10% of their net profit each year to a legal reserve account until such legal reserve account balance reaches 50% of the share capital of the companies. In 2018, the subsidiary Taka Jewellery LLC is in the process of voluntary liquidation and its legal reserve has been transferred to retained earnings.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

For the financial year ended 31 March 2018

	Share capital (Note 22) $'000	Treasury shares (Note 23) $'000	Retained earnings $'000	Total equity $'000
Company				
Closing balance as at 1 April 2016	96,719	–	2,887	99,606
Profit for the year	–	–	1,420	1,420
Total comprehensive income	–	–	1,420	1,420
Distributions to owners				
Dividends paid (Note 24)	–	–	(2,171)	(2,171)
Share buyback exercise (Note 23)	–	(698)	–	(698)
Closing balance as at 31 March 2017 and 1 April 2017	96,719	(698)	2,136	98,157
Profit for the year	–	–	1,408	1,408
Total comprehensive income	–	–	1,408	1,408
Distributions to owners				
Dividends paid (Note 24)	–	–	(867)	(867)
Closing balance as at 31 March 2018	96,719	(698)	2,677	98,698

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2018

	Group 2018 $'000	Group 2017 $'000
Cash flows from operating activities		
Profit before tax	3,504	2,315
Adjustments for:		
Depreciation of fixed assets	882	933
Amortisation of trademarks	140	141
Interest expense	242	295
Share of profit of associate	(172)	(175)
Fixed assets written off	1	109
Allowance for doubtful trade receivables	764	1,729
Reversal of provision for reinstatement costs	(36)	–
Reversal of write-down of inventories	–	(63)
Unrealised exchange loss/(gain)	17	(667)
Gain on disposal of fixed assets (Note (i))	(5)	(1)
Operating cash flows before working capital changes	5,337	4,616
Increase in trade and other receivables and prepayments	(4,163)	(2,151)
Decrease in inventories	4,726	13,485
Decrease in trade and other payables	(3,338)	(13,608)
Increase/(decrease) in bills payable	92	(1,099)
Cash flows from operations	2,654	1,243
Interest paid	(202)	(276)
Income tax refund/(paid), net	61	(883)
Net cash flows generated from operating activities	2,513	84
Cash flows from investing activities		
Proceeds from disposal of fixed assets	82	33
Payment of reinstatement costs	(44)	(46)
Capital contribution by non-controlling interest in a subsidiary	–	1
Purchase of fixed assets (Note (ii))	(170)	(919)
Net cash flows used in investing activities	(132)	(931)
Cash flows from financing activities		
Proceeds from bank borrowings	6,500	9,300
Repayment of bank borrowings	(7,021)	(7,873)
Repayment of finance leases	(117)	(103)
Dividends paid	(867)	(2,171)
Share buyback exercise	–	(698)
Net cash flows used in financing activities	(1,505)	(1,545)
Net increase/(decrease) in cash and cash equivalents	876	(2,392)
Net effect of exchange rates changes on the cash balance held in foreign currencies	(180)	23
Cash and cash equivalents at beginning of the financial year	10,340	12,709
Cash and cash equivalents at end of the financial year (Note 17)	11,036	10,340

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Note to the consolidated statement of cash flows

(i) Gain on disposal of fixed assets

During the financial year, the Group disposed fixed assets with a carrying amount of $162,000 (2017: $32,000). Cash proceeds of $167,000 (2017: $33,000) were received on disposal of the fixed assets.

(ii) Purchase of fixed assets

During the year, the Group acquired fixed assets of $361,000 (2017: $1,076,000) (Note 13). The additions include paid amounts of $170,000 (2017: $919,000), additions to reinstatement costs of $25,000 (2017: $66,000) and additions by way of finance lease of $166,000 (2017: $91,000).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

TLV Holdings Limited (the "Company") was incorporated on 22 June 2015 and domiciled in Singapore with its principal place of business and registered office at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181. Related parties in these financial statements refer to TLV Holding Limited's group of companies.

TLV Holdings Limited and its subsidiaries (the "Group") was formed through a restructuring exercise, where it became the holding company of Taka Jewellery Pte. Ltd. ("TJPL") through a share swap arrangement on 17 August 2015. The Group represents the continuation of Taka Jewellery Pte. Ltd. and its subsidiaries.

The Company was admitted to the SGX Catalist board on 17 September 2015.

The principal activity of the Company relates to that of an investment holding company. The principal activities of its subsidiaries are stated in the table below:

Name of subsidiary	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest	
			2018	2017
Held by the Company:				
Taka Jewellery Pte Ltd (i)	Wholesale and retail of jewellery	Singapore	100	100
Voi Hong Kong Limited (ii)	General trading and wholesaling	Hong Kong	100	100
Held by Taka Jewellery Singapore Pte Ltd:				
Voi Jewellery Pte Ltd (i)	Wholesale of jewellery	Singapore	100	100
Top Cash Jewellery Pte Ltd (i)	Retail of secondhand jewellery	Singapore	100	100
Top Cash Pte Ltd (i)	Pawnbroking	Singapore	100	100
Lovis Diamonds Pte Ltd (i)	Retail of jewellery	Singapore	100	100
Taka Jewellery (Hong Kong) Limited (iii)	Wholesale of jewellery	Hong Kong	100	100
Taka Jewellery LLC (iv)	In voluntary liquidation	Dubai	100*	100*
Taka Jewellery Sdn Bhd (v)	Dormant	Malaysia	100	100
Held by Taka Jewellery (Hong Kong) Limited:				
Taka Hong Kong Venture Limited (ii)	Investment holding	Hong Kong	70	70
Maoming Gaoda Zhubao Co. Ltd	Wholesale of jewellery	China	100#	–

* The Company has 49% legal interest in Taka Jewellery LLC. Pursuant to the investment agreement entered into, the Company is deemed to have 100% effective interest in Taka Jewellery LLC.

\# Newly incorporated during the financial year ended 31 March 2018.

(i) Audited by Ernst & Young LLP, Singapore.

(ii) Audited by East Asia Sentinel Limited, Certified Public Accountants, Hong Kong.

(iii) Audited by Ernst & Young, Certified Public Accountants, Hong Kong.

(iv) Not required to be audited as the company is in the process of voluntary liquidation as at 31 March 2018.

(v) Audited by Leong Siew Hoong & Co., Certified Public Accountants, Malaysia.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

Convergence with International Financial Reporting Standards

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 April 2018.

The Group has performed an assessment of the impact of adopting the new financial reporting framework. Other than the adoption of the new standards that are effective for annual financial periods beginning on or after 1 April 2018, the Group expects that the adoption of the new framework will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting the new standards that are effective for annual financial periods beginning on or after 1 April 2018 will be similar to that as disclosed in Note 2.3.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017, including the Amendments to FRS 7 *Disclosure Initiative*. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for financial year beginning on**
FRS 109 Financial Instruments	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases	1 January 2019
Improvements to FRSs (December 2017)	
- Amendments to FRS 28 Investments in Associates and Joint Ventures	1 January 2018
- INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 January 2018
- INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	*Date to be determined*

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective (cont'd)***

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets, and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in 1 April 2018.

(a) *Impairment*

FRS 109 requires the Group to record expected credit losses on all of its trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all of its trade receivables. An estimation of loss allowance based on 12-month probability of default and loss given default would result in impairment losses being recognised in profit or loss. As such, upon application of the expected credit loss model, the Group expects that due to the unsecured nature of the Group's trade receivables relating to its exhibition business, the loss allowance would increase.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group plans to apply the practical expedient which allows the Group not to restate completed contracts that begin and end within the same year or are completed contracts at 1 April 2017.

The Group does not have contracts subject to variable consideration or warranties. The Group is primarily engaged in the businesses of retail of jewellery and the wholesale of jewellery in international exhibitions.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. Upon adoption of the new standard, the Group expects a decline in revenue and an increase in imputed interest income as a result of a significant financing component in its contracts from the wholesale of jewellery in international exhibitions.

This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on statements of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective (cont'd)***

FRS 116 *Leases* *(cont'd)*

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption of FRS 116 will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

The Group plans to adopt the new standard on the required effective date by applying FRS 116 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 April 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the possible impact of adoption.

2.4 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) ***Sale of goods***

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) ***Interest income***

Interest income from loans to customers is recognised on a time-proportion basis using the effective interest method.

(c) ***Dividend income***

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

2.5 ***Basis of consolidation and business combinations***

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Summary of significant accounting policies (cont'd)

2.5 ***Basis of consolidation and business combinations***

(a) ***Basis of consolidation***

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) ***Business combinations***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill.

2. Summary of significant accounting policies (cont'd)

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 *Associate*

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

2. Summary of significant accounting policies (cont'd)

2.8 *Associate (cont'd)*

The profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of its associate is the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2.9 *Fixed assets*

All items of fixed assets are initially recorded at cost. The cost of an item of fixed asset is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of fixed assets are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the fixed assets as follows:

Leasehold properties	-	25 to 60 years
Renovation	-	3 to 5 years
Motor vehicles	-	10 years
Furniture and fittings and office equipment	-	3 to 5 years

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

2. Summary of significant accounting policies (cont'd)

2.9 ***Fixed assets (cont'd)***

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the fixed asset is included in profit or loss in the year the asset is derecognised.

2.10 ***Intangible assets***

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Trademarks

The trademarks were acquired in business combinations and are amortised on a straight line basis over its finite useful life of 10 years.

2.11 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 ***Financial instruments***

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 *Financial guarantees*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.14 *Leases*

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

– Raw materials: purchase costs on a weighted average basis.

– Finished goods: cost of raw materials and labour, determined on specific identification basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.16 ***Taxes (cont'd)***

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.16 *Taxes (cont'd)*

(c) ***Goods and services tax ("GST")***

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

2.17 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.18 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 *Employee benefits*

(a) ***Defined contribution plans***

The Singapore companies in the Group make contributions to the Central Provident Fund (CPF) Scheme in Singapore, a defined contribution pension scheme. Contributions to defined pension schemes are recognised as expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.20 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (cont'd)

2.21 *Government grants*

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grant is recognised in profit or loss over the period in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants are presented in the "Other operating income" line item in profit or loss.

2.22 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. Significant accounting judgements and estimate

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.1 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Allowance for impairment of trade receivables

The policy for allowance for doubtful debts of the Group and Company is based on the evaluation of collectability and aging analysis of trade receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group and Company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amount of the Group and Company's trade receivables at the end of the reporting period is disclosed in Note 16 to the financial statements.

Allowance for inventory obsolescence

The Group periodically assesses the allowance for inventory obsolescence. When the inventories are deemed not saleable, the difference between net realisable value and cost is recognised as an allowance against the inventory balance. The Group assesses consumer preferences for the products it carries. Any possible changes in consumer's preferences could affect the saleability of the inventory. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 15 to the financial statements.

4. Revenue

	Group	
	2018	2017
	$'000	$'000
Sale of goods, net of discounts and returns	110,532	111,129
Interest income from pawnbroking business	1,281	973
	111,813	112,102

5. Other operating income

	Group	
	2018	2017
	$'000	$'000
Government grants	84	135
Sundry income	20	393
	104	528

Government grants relate to Productivity and Innovation Credit scheme (PIC), Wage Credit scheme (WCS), Temporary Employment Credit (TEC) and Special Employment Credit (SEC) claims from the government.

6. Finance costs

	Group	
	2018	2017
	$'000	$'000
Interest expense on:		
- Bank loans	204	246
- Bills payable	23	49
- Finance leases	15	–
	242	295

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2018	**2017**
	$'000	**$'000**
Employee compensation (Note 8)	11,209	11,719
Rental on operating leases (Note 26)	4,896	6,704
Net foreign currency exchange loss	498	464
Depreciation of fixed assets (Note 13)	882	933
Gain on disposal of fixed assets	5	1
Fixed assets written off	1	109
Amortisation of trademarks (Note 14)	140	141
Net allowance for impairment of trade receivables (Note 16)	764	1,729
Audit fees:		
- Auditor of the Company	140	148
- Other auditors	9	4
Non-audit fees:		
- Other auditors	10	28

8. Employee compensation

	Group	
	2018	**2017**
	$'000	**$'000**
Short-term employment benefits	10,321	10,820
Employer's contribution to Central Provident Fund	888	899
	11,209	11,719

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2018 and 2017 are:

	Group	
	2018	**2017**
	$'000	**$'000**
Statement of comprehensive income:		
Current income tax		
Current year	394	161
Over provision in previous years	(358)	(96)
Deferred income tax		
Current year	–	103
Over provision in previous years	–	(16)
Income tax expense	36	152

Reconciliation between tax expense and profit before tax

The reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 March are as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Profit before tax	3,504	2,315
Tax at domestic rates applicable to profits in the countries where the Group operates	592	394
Adjustments:		
Non-deductible expenses	271	241
Income not subject to tax	(61)	(83)
Tax effect of partial tax exemption, tax relief, enhanced allowance and effect of double tax deduction*	(326)	(305)
Benefits from previously unrecognised tax assets	(68)	–
Deferred tax assets not recognised	2	47
Overprovision of income tax in previous years	(358)	(96)
Overprovision of deferred tax in previous years	–	(16)
Share of results of associate	(29)	(30)
Others	13	–
Income tax expense	36	152

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

* The Group has applied for Double Tax Deduction scheme ("DTD") that is available under International Enterprise Singapore for certain qualifying overseas expenses incurred during the Group's overseas exhibitions.

10. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares during the year. Diluted earnings per share are similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

	Group	
	2018	2017
	$'000	$'000
Profit for the year attributable to owners of the Company used in computation of earnings per share	3,469	2,163
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and diluted earnings per share	559,406,000	561,470,000

The weighted average number of ordinary shares refers to shares outstanding during the reporting period.

11. Investment in subsidiaries

	Company	
	2018	2017
	$'000	$'000
Shares, at cost	82,076	82,076

For details of subsidiaries of the Group, please refer to Note 1.

12. Investment in associate

The Group has 50% (2017: 50%) interest in the ownership in the associate, Globe Diamonds Pte Ltd. The entity is incorporated in Singapore and is a strategic venture in the business.

	Group	
	2018	2017
	$'000	$'000
Shares, at cost	2,500	2,500
Share of post-acquisition reserves	2,921	3,063
	5,421	5,563

12. Investment in associate (cont'd)

Included in share of post-acquisition reserves is an amount of $243,000 (2017: $557,000) relating to foreign currency translation reserve adjustment.

Name of associated company	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest 2018	2017
Globe Diamonds Pte Ltd [(i)]	Wholesale of diamonds	Singapore	50	50

(i) Audited by MT & Partners LLP

The summarised financial information of the associate, based on its FRS financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Group	
	2018	2017
	$'000	$'000
Summarised balance sheet		
Non-current assets	2,040	2,224
Current assets	13,086	11,291
Total assets	15,126	13,515
Non-current liabilities	1,226	1,302
Current liabilities	3,058	1,086
Total liabilities	4,284	2,388
Net assets	10,842	11,127
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing carrying amount of investment	5,421	5,563
Summarised statement of comprehensive income		
Revenue	11,760	7,806
Profit after tax	344	213
Other comprehensive income	(628)	413
Total comprehensive income	(284)	626

Included in total comprehensive income for the financial year ended 31 March 2018, is an unrealised profit of $9,000 (2017: $10,000) on inventory sold to a subsidiary which is adjusted on consolidation.

13. Fixed assets

Group	Leasehold properties $'000	Furniture and fittings and office equipment $'000	Motor vehicles $'000	Renovation $'000	Total $'000
Cost					
At 1 April 2016	4,515	1,081	1,922	1,678	9,196
Additions [(1)]	–	292	263	521	1,076
Write off	–	(111)	–	(681)	(792)
Disposals	–	(21)	(38)	–	(59)
At 31 March 2017 and 1 April 2017	4,515	1,241	2,147	1,518	9,421
Additions [(1)]	–	72	198	91	361
Write off	–	(58)	–	(207)	(265)
Disposals	–	(2)	(251)	–	(253)
As at 31 March 2018	4,515	1,253	2,094	1,402	9,264
Accumulated depreciation					
At 1 April 2016	1,352	682	278	1,114	3,426
Charge for the year	135	225	228	345	933
Write off	–	(92)	–	(591)	(683)
Disposals	–	(14)	(13)	–	(27)
At 31 March 2017 and 1 April 2017	1,487	801	493	868	3,649
Charge for the year	135	207	209	331	882
Write off	–	(57)	–	(207)	(264)
Disposals	–	(1)	(175)	–	(176)
As at 31 March 2018	1,622	950	527	992	4,091
Net carrying amount					
At 31 March 2018	2,893	303	1,567	410	5,173
At 31 March 2017	3,028	440	1,654	650	5,772

Leasehold property with a carrying amount of $936,000 (2017: $1,062,000) is pledged to secure the Group's bank borrowings (Note 18).

During the year, the Group acquired motor vehicles with a cost of $166,000 (2017: $91,000) by means of finance lease. The carrying amount of motor vehicles held under finance leases and also held in trust by directors of the Group at the end of the reporting period was $692,000 (2017: $781,000).

(1) Additions for the year include capitalisation of provision for reinstatement cost of $25,000 (2017: $66,000) (Note 21).

14. Trademarks

	Group
	$'000
Cost	
As at 31 March 2016, 1 April 2016, 31 March 2017 and 31 March 2018	1,408
Accumulated amortisation	
As at 31 March 2016	282
Charge for the year	141
As at 31 March 2017 and 1 April 2017	423
Charge for the year	140
As at 31 March 2018	563
Net carrying value as at 31 March 2018	845
Net carrying value as at 31 March 2017	985

Trademarks relate to the "Taka Jewellery" trademarks. The remaining useful life of these trademarks is approximately 6 (2017: 7) years.

The amortisation of trademarks is included in the "Other operating expense" line item in profit or loss.

15. Inventories

	Group	
	2018	2017
	$'000	$'000
Balance sheet:		
Finished goods and goods for resale, at cost	43,361	51,530
Raw materials, at cost	35,264	31,821
Less: Allowance for obsolete inventories	(2)	(2)
Total inventories at lower of cost and net realisable value	78,623	83,349
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	83,718	81,010
Inclusive of the following credit:		
- Reversal of write-down of inventories	–	(63)

The reversal of write–down of inventories was made when the related inventories were sold above their carrying amounts.

16. Trade and other receivables

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Non-current				
Rental deposits	638	1,098	–	–
Current				
Trade receivables:				
Third parties	49,990	48,470	–	–
Less: Allowance for impairment	(764)	(2,095)	–	–
	49,226	46,375	–	–
Other receivables:				
Third parties	651	187	–	–
Deposits	561	655	–	–
Advances to suppliers	414	1,167	–	–
Amount due from subsidiary	–	–	15,113	14,089
	1,626	2,009	15,113	14,089
Total current receivables	50,852	48,384	15,113	14,089
Total trade and other receivables	51,490	49,482	15,113	14,089
Add/(less):				
Advances to suppliers	(414)	(1,167)	–	–
Cash and cash equivalents (Note 17)	11,036	10,340	2,325	2,935
Total loans and receivables	62,112	58,655	17,438	17,024

Trade receivables are non-interest bearing and are generally on 30 to 180 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amount due from subsidiary is unsecured, interest-free, repayable on demand and to be settled in cash.

Trade and other receivables denominated in foreign currencies at 31 March are as follows:

	Group	
	2018	2017
	$'000	$'000
USD	33,447	35,322
HKD	958	241

16. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $17,896,000 (2017: $20,063,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Past due within 1 month	590	3,363
Past due 2-3 months	1,045	2,283
Past due over 3 months	16,261	14,417
	17,896	20,063

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment is as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Trade receivables - nominal amounts	764	2,095
Less: Allowance for impairment	(764)	(2,095)
	–	–
Movement in allowance accounts:		
At 1 April	2,095	864
Charge for the year	764	1,736
Written off	(2,095)	(497)
Write-back of allowance for doubtful debts	–	(7)
Exchange differences	–	(1)
At 31 March	764	2,095

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The write-back of allowance for doubtful debts in 2017 was made when the related trade receivables were collected.

17. Cash and bank balances

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Cash at bank	10,557	9,953	2,325	2,935
Cash on hand	479	387	–	–
	11,036	10,340	2,325	2,935

Cash and bank balances denominated in foreign currencies as at 31 March are as follows:

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
USD	3,279	3,102	–	–
HKD	–	653	–	–

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2018	2017
	$'000	$'000
Cash and cash equivalents per consolidated statement of cash flows	11,036	10,340

18. Loans and borrowings

	Group	
	2018	2017
	$'000	$'000
Current		
Bills payable	921	829
Revolving loans	9,000	8,000
Floating rate term loans	1,261	1,988
Finance leases	139	106
	11,321	10,923
Non-current		
Floating rate term loans	273	1,067
Finance leases	315	299
	588	1,366
Total loans and borrowings	11,909	12,289

18. Loans and borrowings (cont'd)

Bills payable, revolving loans and floating rate term loans

Bills payable bears interest at rates ranging from 2.87% to 3.22% (2017: 2.41% to 3.43%) per annum and are repayable within 88 days to 210 days (2017: 90 days to 210 days).

Revolving loans bear interest at rates ranging from 2.34% to 2.81% (2017: 1.90% to 3.59%) per annum. The revolving loans are due for repayment within the next one month from the end of the reporting period.

Floating rate term loans bear interest at rates ranging from 2.69% to 2.88% (2017: 2.15% to 4.81%) per annum. The loans are repayable in 24 to 84 equal monthly instalments from drawdown date. Floating rate term loan amounting to $241,000 (2017: $420,000) is secured by first mortgage over a leasehold property (Note 13) owned by the Group.

All bank borrowings are secured by corporate guarantee from the Company. An amount of $3,000,000 (2017: $1,000,000) is also secured by corporate guarantee from a subsidiary.

Finance leases

Finance leases are secured by a charge over the leased motor vehicles (Note 13). The average discount rate implicit in the leases is 2.45% (2017: 2.38%) per annum.

A reconciliation of liabilities arising from financing activities is as follows:

		Cash flows				
	2017	Proceeds	Repayment	Acquisition	Other	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Revolving loans	8,000	6,000	(5,000)	–	–	9,000
Floating rate term loans						
- Current	1,988	500	(2,021)	–	794	1,261
- Non-current	1,067	–	–	–	(794)	273
Finance leases						
- Current	106	–	(117)	33	117	139
- Non-current	299	–	–	133	(117)	315
Total	11,460	6,500	(7,138)	166	–	10,988

'Other' column relates to reclassification of non-current portion of loans and borrowings due to passage of time.

19. Trade and other payables

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade payables:				
Third parties	28,283	36,237	–	–
Associate	4,266	876	–	–
	32,549	37,113	–	–
Other payables:				
Third parties	753	822	104	197
Accrued expenses	2,510	2,689	733	765
Total trade and other payables	35,812	40,624	837	962
Add: Loans and borrowings (Note 18)	11,909	12,289	–	–
Total financial liabilities at amortised cost	47,721	52,913	837	962

Trade payables are non-interest bearing and are normally settled on 210 days term.

Trade and other payables denominated in foreign currencies at 31 March are as follows:

	Group	
	2018	2017
	$'000	$'000
USD	27,485	27,887
HKD	–	447

20. Deferred tax liabilities

	Group			
	Balance sheet		Income statement	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Deferred tax liabilities:				
Differences in depreciation for tax purposes	(214)	(178)	36	40
Differences in amortisation of intangible assets for tax purposes	(144)	(168)	(24)	(22)
	(358)	(346)	12	18
Deferred tax assets:				
Provisions	113	101	(12)	69
Deferred tax liabilities, net	(245)	(245)	–	–
Deferred tax expense			–	87

20. Deferred tax liabilities (cont'd)

At the end of the reporting period, the subsidiaries of the Group have unutilised tax losses of approximately $64,000 (2017: $454,000) that are available for offset against future taxable profits of these subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability. The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation.

21. Provision

	Group	
	2018	**2017**
	$'000	**$'000**
1 April	310	290
Additions (Note 13)	25	66
Utilisation	(44)	(46)
Reversal of provision for reinstatement costs	(36)	–
31 March	255	310

The amount relates to provision for reinstatement costs arising from retail outlets lease arrangements.

22. Share capital

	Group and Company			
	2018	**2017**	**2018**	**2017**
	Number of shares		**$'000**	**$'000**
Issued and fully paid ordinary shares:				
At beginning and end of financial year	565,506,000	565,506,000	96,719	96,719

The holders of the ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

23. Treasury shares

	Group and Company			
	2018	**2017**	**2018**	**2017**
	Number of shares		**$'000**	**$'000**
At 1 April	6,100,000	–	698	–
Acquired during the year	–	6,100,000	–	698
At 31 March	6,100,000	6,100,000	698	698

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired Nil (2017: 6,100,000) shares in the Company through purchases on the SGX Catalist board during the financial year. The total amount paid to acquire the shares was $Nil (2017: $698,000) and this was presented as a component within shareholders' equity.

24. Dividends

	Group	
	2018	2017
	$'000	$'000
Declared and paid during the financial year:		
Dividend on ordinary shares:		
- Final exempt (one-tier) dividend for 2017: 0.155 cents (2016: 0.388 cents) per share	867	2,171
Proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final exempt (one-tier) dividend for 2018: 0.219 cents (2017: 0.155 cents) per share	1,225	867

25. Related party transactions

(a) ***Significant related party transactions***

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related party at terms agreed between the parties:

	Group	
	2018	2017
	$'000	$'000
Purchases of goods from associate	10,315	4,979

(b) ***Key management personnel compensation***

The remuneration of directors and key management personnel during the financial year is as follows:

	Group	
	2018	2017
	$'000	$'000
Short-term employment benefits	2,418	2,184
Employer's contributions to Central Provident Fund	76	72
	2,494	2,256

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling activities of the Group. The directors and executive officers of the Group are considered as key management personnel of the Group.

26. Commitments

(a) *Operating lease commitments - as lessee*

The Group leases retail outlets from non-related parties under non-cancellable operating lease agreements. The leases have an average tenure of 1 to 5 (2017: 1 to 4) years, with escalation clause stipulating yearly fixed rate increment on base rent.

The operating lease expense incurred by the Group is $4,896,000 (2017: $6,704,000) of which includes contingent rent expenses of $203,000 (2017: $170,000). Contingent rent is determined based on a percentage of each retail outlet's monthly gross turnover.

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Within 1 year	3,360	4,039
After 1 year but within 5 years	2,015	2,939
	5,375	6,978

(b) *Finance lease commitments*

The Group has finance leases in the form of hire purchase arrangements for motor vehicles and these leases expire in the financial year 2023 (2017: 2021).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	2018		**2017**	
	$'000		**$'000**	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
Within 1 year	156	139	119	106
After 1 year but within 5 years	354	315	334	299
Total minimum lease payments	510	454	453	405
Less: amounts representing finance charges	(56)	–	(48)	–
Present value of minimum lease payments	454	454	405	405

27. Contingent liabilities

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Secured bank loan and credit facilities granted to an associate	1,677	1,850	–	–
Secured bank loan and credit facilities granted to subsidiaries	–	–	11,755	11,884

The Company has agreed to provide continuing financial support to certain subsidiaries.

28. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Directors review and agree policies and procedures for the management of these risks, which are executed by the management. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken for trading and speculative purposes. The Group's overall business strategies, tolerance of risk and general risk management philosophy are determined by directors in accordance with prevailing economic and operating conditions.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

28. Financial risk management objectives and policies (cont'd)

(a) ***Credit risk (cont'd)***

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Business segment		
Retail and pawnbroking	14,837	10,725
Exhibitions	34,389	35,650
	49,226	46,375

There is a single debtor within the exhibitions segment whose trade receivables represented 24% (2017: 28%) of total trade receivables for the financial year ended 31 March 2018.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16.

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short term loan facilities.

The Group's liquidity risk management policy is that to maintain sufficient liquid financial assets and short term loan facilities with different banks and business alliances. At the end of the reporting period, approximately 95% (2017: 89%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

The Group assessed the concentration risk with respect to refinancing its debts and concluded it to be low. Access to sources of funding is sufficiently available and debts maturing within 12 months can be rolled over with existing lenders.

28. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

Analysis of financial instruments by remaining contractual maturities

The table summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2018 $'000				2017 $'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
Group								
Financial assets								
Cash and bank balances	11,036	–	–	11,036	10,340	–	–	10,340
Trade and other receivables	50,438	638	–	51,076	47,217	1,098	–	48,315
Total undiscounted financial assets	61,474	638	–	62,112	57,557	1,098	–	58,655
Financial liabilities:								
Trade and other payables	35,812	–	–	35,812	40,624	–	–	40,624
Loans and borrowings	11,382	630	–	12,012	10,987	1,414	–	12,401
Total undiscounted financial liabilities	47,194	630	–	47,824	51,611	1,414	–	53,025
Total net undiscounted financial assets/ (liabilities)	14,280	8	–	14,288	5,946	(316)	–	5,630

28. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	2018 $'000 One year or less	2018 $'000 One to five years	2018 $'000 Over five years	2018 $'000 Total	2017 $'000 One year or less	2017 $'000 One to five years	2017 $'000 Over five years	2017 $'000 Total
Company								
Financial assets:								
Cash and bank balances	2,325	–	–	2,325	2,935	–	–	2,935
Trade and other receivables	15,113	–	–	15,113	14,089	–	–	14,089
Total undiscounted financial assets	17,438	–	–	17,438	17,024	–	–	17,024
Financial liabilities:								
Trade and other payables	837	–	–	837	962	–	–	962
Total undiscounted financial liabilities	837	–	–	837	962	–	–	962
Total net undiscounted financial assets	16,601	–	–	16,601	16,062	–	–	16,062

The table below shows the contractual expiry by maturity of the Group and Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	2018 $'000 One year or less	2018 $'000 One to five years	2018 $'000 Over five years	2018 $'000 Total	2017 $'000 One year or less	2017 $'000 One to five years	2017 $'000 Over five years	2017 $'000 Total
Group								
Financial guarantees	459	1,218	–	1,677	556	1,294	–	1,850
Company								
Financial guarantees	11,482	273	–	11,755	10,817	1,067	–	11,884

28. Financial risk management objectives and policies (cont'd)

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings. All of the Group's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 12 months from the end of the reporting period.

The Group's policy is to manage interest costs using a mix of fixed and floating rate debts taking into consideration the funding requirements of the Group.

<u>Sensitivity analysis for interest rate risk</u>

At 31 March 2018, if interest rates had been 100 basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been approximately $95,000 (2017: $99,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group's entities, primarily SGD. The foreign currency in which these transactions are denominated are mainly USD and HKD, resulting in the Group's trade and other receivables and trade and other payables balances at the balance sheet date to have such currency exposures.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. As at 31 March 2017 and 2018, such foreign currency balances have been disclosed in Note 17.

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the respective exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group Profit net of tax Increase/(decrease)	
	2018	**2017**
	$'000	**$'000**
Against SGD		
USD		
- strengthened 1% (2017: 1%)	77	87
- weakened 1% (2017: 1%)	(77)	(87)
HKD		
- strengthened 1% (2017: 1%)	8	4
- weakened 1% (2017: 1%)	(8)	(4)

29. Fair values of financial instruments

(a) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

(i) *Cash and bank balances, trade and other receivables, trade and other payables*

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

(ii) *Bank borrowings*

The carrying amount of the bank borrowings is an approximation of fair values as it is a floating rate instrument that is subjected to frequent repricing to market interest rates on or near the date of balance sheet.

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value***

	Group			
	2018		2017	
	Carrying amount	Fair Value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Financial assets				
Rental deposits (non-current)	638	594	1,098	988

30. Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group's capital management is dependent on capital requirements of the business or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Group's structure. No changes were made in the objectives, policies or processes during the years ended 31 March 2017 and 2018.

A subsidiary of the Group is required by the UAE Federal Law to allocate 10% of its net profit each year to a legal reserve account until such legal reserve account balance reaches 50% of the share capital of the company. The subsidiary has complied with this externally exposed capital requirement for the financial year ended 31 March 2017. For the financial year ended 31 March 2018, the subsidiary is in the process of voluntary liquidation and its legal reserve account balance has been transferred to retained earnings.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings less cash and bank balances to better reflect capital management per industry practice. Capital relates to equity attributable to the owners of the Company, less the abovementioned legal reserve.

30. Capital management (cont'd)

	Group 2018 $'000	Group 2017 $'000
Loans and borrowings (Note 18)	11,909	12,289
Less:		
Cash and bank balances (Note 17)	(11,036)	(10,340)
Net debt	873	1,949
Equity attributable to the owners of the Company	103,822	101,622
Less : Legal reserve	–	(55)
Gearing ratio	0.8%	1.9%

31. Segment information

The Group's businesses are organised and managed as two broad segments grouped based on the Group's existing management reporting structure and nature of operations. The Group's business segments are as follows:

(a) ***Retail and Pawnbroking***

This relates to the sale of jewellery to customers at our retail outlets, promotional events and headquarters. It also includes the pawnshop business and the sale of secondhand jewellery.

(b) ***Exhibitions***

This relates to the sale of jewellery through the Group's participation in international jewellery exhibitions and trade fairs.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise dividends payable, income tax payable and deferred tax.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

31. Segment information (cont'd)

$'000	Retail and Pawnbroking	Exhibitions	Unallocated	Notes	Total
	As at 31 March 2018				
Segment revenue:					
Sales to external customers	61,824	49,989	–		111,813
Results:					
Segment results	3,648	7,341	–		10,989
Unallocated expenses (net)	–	–	(7,415)	A	(7,415)
Finance costs	–	–	(242)		(242)
Share of profit from associate	172	–	–		172
Profit before tax	3,820	7,341	(7,657)		3,504
Income tax expense	–	–	(36)		(36)
Profit after tax	3,820	7,341	(7,693)		3,468
Segment assets & liabilities:					
Segment assets	74,072	61,130	17,459	B	152,661
Segment liabilities	29,658	17,484	1,697	C	48,839
Other segmental information:					
Depreciation	717	165	–		882
Capital expenditure	319	127	–		446
Investment in associate	5,421	–	–		5,421
Non-current assets	9,948	2,129	–		12,077

31. Segment information (cont'd)

	As at 31 March 2017				
$'000	**Retail and Pawnbroking**	**Exhibitions**	**Unallocated**	**Notes**	**Total**
Segment revenue:					
Sales to external customers	63,626	48,476	–		112,102
Results:					
Segment results	2,938	7,385	–		10,323
Unallocated expenses (net)	–	–	(7,888)	A	(7,888)
Finance costs	–	–	(295)		(295)
Share of profit from associate	175	–	–		175
Profit before tax	3,113	7,385	(8,183)		2,315
Income tax expense	–	–	(152)		(152)
Profit after tax	3,113	7,385	(8,335)		2,163
Segment assets & liabilities:					
Segment assets	76,163	62,408	17,041	B	155,612
Segment liabilities	31,382	20,882	1,725	C	53,989
Other segmental information:					
Depreciation	763	170	–		933
Capital expenditure	927	149	–		1,076
Investment in associate	5,563	–	–		5,563
Non-current assets	10,735	2,683	–		13,418

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Unallocated corporate expenses items amounting to $7,415,000 (2017: $7,888,000) mainly relates to distribution costs, administrative expenses and other operating expenses.

B Unallocated segment assets pertains to unallocated corporate assets items in the Company.

C The following unallocated liabilities items are added from segment liabilities to arrive at total liabilities as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Income tax payable	618	521
Deferred tax liabilities	245	245
Unallocated corporate trade and other payables	834	959
	1,697	1,725

31. Segment information (cont'd)

Geographical segment

The above primary segment information reflects the management reporting structure and nature of operations wherein the Group's Retail and Pawnbroking businesses are carried out locally in Singapore and exhibitions are conducted overseas. The customers of Exhibition sales are primarily overseas customers, while customers of Retail and Pawnbroking sales are a mix of local and overseas customers. Accordingly, further segmentation by geographical market is not meaningful.

Non-current assets mainly relate to investment in associate, fixed assets, trademarks and non-current other receivables and are substantially located in Singapore.

Information on major customers

Revenue from one major customer amount to approximately $11.5 million (2017: $12.6 million), arising from the exhibitions segment.

32. Event occurring after the reporting period

On 22 May 2018, Taka Hong Kong Venture Limited, a subsidiary of the Group, entered into a Sale and Purchase Agreement with Maoming Liutao Zhubao Chuangyi Chanye Co. Ltd ("MMLT") to acquire a 49% equity interest in 茂名市世茂珠宝有限公司 ("Shimao Jewellery") for a cash consideration of RMB1.96 million (approximately S$411,000).

33. Authorisation of financial statements

The financial statements for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Directors on 29 June 2018.

STATISTICS OF SHAREHOLDINGS

As at 14 June 2018

Number of Issued Shares (including Treasury Shares)	:	565,506,000
Number of Issued Shares (excluding Treasury Shares)	:	559,406,000
Number/*Percentage of Treasury Shares	:	6,100,000 / 1.08%
Number of Subsidiary Holdings	:	Nil
Class of Shares	:	Ordinary
Voting Rights (excluding Treasury Shares)	:	One vote per share

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	9	4.46	5,800	0.00
1,001 - 10,000	33	16.33	218,700	0.04
10,001 - 1,000,000	139	68.81	23,142,200	4.14
1,000,001 AND ABOVE	21	10.40	536,039,300	95.82
TOTAL	202	100	559,406,000	100

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deem Interest	%
TEO BOON LENG	171,359,753	30.63%	0	0.00
ANG KAH LEONG	157,884,355	28.22%	0	0.00
LEE SUI HEE	55,733,478	9.96%	0	0.00
SIM CHOON LAM	29,003,684	5.18%	0	0.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TEO BOON LENG	171,359,753	30.63
2	ANG KAH LEONG	157,884,355	28.22
3	LEE SUI HEE	55,733,478	9.96
4	SIM CHOON LAM	29,003,684	5.18
5	SIM CHOON BENG	24,560,515	4.39
6	CHEW TIAM POH	19,959,565	3.57
7	UOB KAY HIAN PTE LTD	10,891,000	1.95
8	LEE KWANG HWEE	10,182,000	1.82
9	ABN AMRO CLEARING BANK N.V.	9,126,800	1.63
10	MEHTA VIMESH PIYUSH	7,650,000	1.37
11	CHUA KWEE SIN	7,043,000	1.26
12	LIU JI	7,000,000	1.25
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,889,900	1.23
14	NG PUAY HOON	4,957,774	0.89
15	TAN SIM HUI JULIA (CHEN XINHUI)	2,548,403	0.46
16	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,332,500	0.42
17	KOH PENG HENG	2,287,273	0.41
18	ONG KAH LAM	2,083,400	0.37
19	OCBC SECURITIES PRIVATE LIMITED	1,759,100	0.31
20	LIM YONG LUY	1,700,800	0.30

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on information available to the Company as at 14 June 2018, approximately 26.01% of the Company's issued ordinary shares excluding treasury shares were held by the Public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual Section B : Rules of Catalist

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of TLV HOLDINGS LIMITED (the "**Company**") will be held at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 on Friday, 27 July 2018 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2018 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare final dividend of 0.219 Singapore cents one-tier tax exempt dividend per ordinary share for the financial year ended 31 March 2018. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Article 114 of the Constitution of the Company:

   Mr Teo Boon Leng **(Resolution 3)**
   Mr Chua Kern **(Resolution 4)**

   Mr Teo Boon Leng will, upon re-election as Director of the Company, remain as Managing Director and Executive Director of the Company.

   Mr Chua Kern will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. The Board considers Mr Chua to be independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

4. To approve the payment of Directors' Fees of S$205,000 for the financial year ending 31 March 2019 payable quarterly in arrears. **(Resolution 5)**

5. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalist (the "**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

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

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

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

    (a) new Shares arising from the conversion or exercise of any convertible securities;

    (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

    (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 7)**

[See Explanatory Note (i)]

8. **Renewal of Share Buyback Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued Shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Purchase Price as defined in Section 2.3.4 of the Company's letter to shareholders in relation to the proposed renewal of the share buyback mandate dated 12 July 2018 (the "Letter"), in accordance with the Terms of the Share Buyback Mandate set out in the Letter. This mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company, the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 8)**

[See Explanatory Note (ii)]

By Order of the Board

Wong Yoen Har
Company Secretary

Singapore, 12 July 2018

Explanatory Notes:

(i) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(ii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary Shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in Section 2.3.4 of the Letter. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Group for the financial period ended 31 March 2018 are set out in greater detail in Section 2.8 of the Letter.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "AGM") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 not less than forty-eight (48) hours before the time appointed for holding the AGM.

Personal data privacy:

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

TLV HOLDINGS LIMITED

Company Registration No. 201526542C
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their SRS monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their SRS Approved Nominees.
3. This Proxy Form is not valid for use by SRS investors and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________ ______________________________
(full name in capital letters) NRIC No./Passport No./Company Registration No.

Of ____
(full address)

being a member/members of TLV HOLDINGS LIMITED (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held on Friday, 27 July 2018 at 10.00 a.m. at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against
1	Adoption of the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2018 together with the Auditors' Report		
2	Declaration of final dividend of 0.219 Singapore cents one-tier tax exempt dividend per ordinary share for the financial year ended 31 March 2018.		
3	Re-election of Mr Teo Boon Leng as Director		
4	Re-election of Mr Chua Kern as Director		
5	Approval of Directors' Fees amounting to S$205,000 for the financial year ending 31 March 2019 payable quarterly in arrears		
6	Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise Directors to fix their remuneration.		
7	Authority to allot and issue shares		
8	Renewal of Share Buyback Mandate		

If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____________ day of __________________ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder
*Delete where inapplicable

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, the member must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his appointer and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Subject to Note (9) below, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

9. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, SRS Investors shall be precluded from attending the Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 July 2018.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

TLV

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