TIH LIMITED

(Registration Number: 199400941K)

First Quarter Financial Statement and Dividend Announcement for the period ended 31 March 2020

THESE FIGURES HAVE NOT BEEN AUDITED.

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

1(a)(i) Consolidated statement of profit or loss and consolidated statement of comprehensive income
For the first quarter ended 31 March 2020

	Group		
	3 mths to 31 Mar 2020 S$'000	3 mths to 31 Mar 2019 S$'000	Increase / (Decrease) %
Dividends from subsidiary (Note 1)	**735**	750	(2)
Net change in fair value of equity investments at fair value through profit or loss ("FVTPL") (Note 2)	**(7,501)**	12,583	nm
Net change in fair value of debt investment at FVTPL (Note 3)	**(11,270)**	204	nm
Net (loss)/gains from investments	**(18,036)**	13,537	nm
Other operating income (Note 4)	**1,503**	706	113
Total investment (loss)/income	**(16,533)**	14,243	nm
Finance income	**185**	61	203
Finance costs	**(2)**	(3)	(33)
Net finance income	**183**	58	216
Operating expenses	**(1,491)**	(1,087)	37
(Loss)/profit before tax	**(17,841)**	13,214	nm
Income tax	**-**	-	-
(Loss)/profit for the financial period / Total comprehensive (deficit)/income for the financial period attributable to owners of the Company	**(17,841)**	13,214	nm

nm: Not meaningful

Operating expenses include the following:

	Group		
	3 mths to 31 Mar 2020 S$'000	3 mths to 31 Mar 2019 S$'000	Increase / (Decrease) %
Audit fees paid/payable to:			
- Auditor of the Company for statutory audit of the Company and the Group	**44**	45	(2)
Non-audit fees paid/payable to:			
- Auditor of the Company	**12**	13	(8)
Depreciation on property, plant and equipment	**4**	5	(20)
Depreciation on right-of-use assets	**43**	41	5
Directors' remuneration	**103**	103	-
Staff costs	**461**	338	36
Consultancy and advisory fees (Note 5)	**512**	240	113
Legal and professional fees	**196**	201	(2)
Others	**116**	101	15
	1,491	1,087	37

nm: Not meaningful

Notes:

(1) The Company has two wholly owned subsidiaries, Little Rock Group Limited ("Little Rock") and Killian Court Pte Ltd ("Killian Court"), for the purpose of investment holding. These subsidiaries were measured at equity investments at FVTPL. The subsidiaries will distribute dividends to the Company as and when there is sufficient cash and retained earnings for distribution. Consequently, there will be a corresponding decrease in fair value of these subsidiaries upon distribution of the dividends to the Company. During the three months ended 31 March 2020 ("1Q2020"), Killian Court distributed total dividends of S$0.74 million to the Company and recorded a corresponding decline in equity investments at FVTPL of S$0.74 million.

(2) The net loss in equity investments at FVTPL of S$7.5 million for 1Q2020 was mainly attributed to the decrease in fair value of Fortune Crane Limited ("Fortune Crane") of S$11.06 million due to the significant decline in share price of the underlying quoted shares investment amidst the COVID-19 pandemic, and distribution of dividends of S$0.74 million from Killian Court to the Company. The loss was partially offset by the appreciation in fair value of other portfolio investments held through subsidiaries of S$4.3 million.

(3) The debt investment at FVTPL relates to a shareholder loan granted to Fortune Crane, as part of total investment to acquire the underlying quoted shares. The loss of S$11.27 million for 1Q2020 (after net off against interest income of S$0.21 million) was attributed to the significant decline in the share price of the underlying quoted shares as mentioned in Note 2 above.

(4) Other operating income of S$1.5 million for 1Q2020 was mainly derived from consultancy services of S$0.89 million and advisory fee of S$0.44 million.

(5) Consultancy and advisory fees expense of S$0.51 million for 1Q2020 includes sharing of fees with a consultant firm.

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

Statements of financial position
As at 31 March 2020

	Group		Company	
	31 Mar 2020	31 Dec 2019	**31 Mar 2020**	31 Dec 2019
	S$'000	S$'000	**S$'000**	S$'000
Assets				
Current assets				
Cash and cash equivalents (Note 1)	**18,040**	14,201	**13,330**	9,597
Other receivables	**2,565**	2,338	**836**	794
Amounts due from related parties	**430**	467	**419**	361
Debt investment at FVTPL (Note 2)	**27,975**	39,245	**27,975**	39,245
	49,010	56,251	**42,560**	49,997
Non-current assets				
Investments				
- Equity investments at FVTPL (Note 3)	**79,443**	90,254	**79,443**	90,254
- Subsidiary	**-**	-	**7,000**	7,000
	79,443	90,254	**86,443**	97,254
Property, plant and equipment	**24**	20	**-**	-
Right-of-use assets	**201**	217	**-**	-
	79,668	90,491	**86,443**	97,254
Total assets	**128,678**	146,742	**129,003**	147,251
Liabilities				
Current liabilities				
Other payables (Note 4)	**19,693**	19,903	**19,385**	18,873
Lease liabilities	**165**	158	**-**	-
	19,858	20,061	**19,385**	18,873
Non-current liabilities				
Other payables	**19**	19	**-**	-
Lease liabilities	**31**	51	**-**	-
	50	70	**-**	-
Total liabilities	**19,908**	20,131	**19,385**	18,873
Net assets	**108,770**	126,611	**109,618**	128,378
Equity attributable to owners of the Company				
Share capital	**56,650**	56,650	**56,650**	56,650
Retained earnings	**51,564**	69,405	**52,412**	71,172
Capital reserve	**556**	556	**556**	556
Total equity	**108,770**	126,611	**109,618**	128,378

Notes:

(1) Cash and cash equivalents increased by S$3.84 million from S$14.2 million as at 31 December 2019 to S$18.04 million as at 31 March 2020. The increase was mainly due to loan repayment from Killian Court of S$3.37 million arising from proceeds received from the underlying portfolio investments, dividend income from Killian Court of S$0.74 million and other operating income of S$0.83 million. This was partially offset by total investments of S$0.06 million and operating expenses of S$1.49 million.

(2) Debt investment at FVTPL relates to a shareholder loan granted to Fortune Crane, as part of total investment to acquire the underlying quoted shares. Due to the significant fluctuation of share price amidst the COVID-19 pandemic, fair value of the loan declined by S$11.27 million, from S$39.25 million as at 31 December 2019 to S$27.98 million as at 31 March 2020.

(3) Equity investments at FVTPL decreased by S$10.81 million, from S$90.25 million as at 31 December 2019 to S$79.44 million as at 31 March 2020. The net loss was mainly attributed to the decrease in fair value of Fortune Crane of S$11.06 million due to the significant decline in share price of the underlying quoted shares investment, dividends of S$0.74 million from Killian Court to the Company, and loan repayments from Killian Court of S$3.37 million. The loss was partially offset by the appreciation in fair value of other portfolio investments of S$4.3 million and total investments of S$0.06 million.

(4) Other payables of S$19.69 million as at 31 March 2020 comprise mainly provision for tax and expenses relating to the divestments of a portfolio company.

1(b)(ii) Aggregate amount of Group's borrowing and debt securities.

Amount payable in one year or less, or on demand

As at 31/03/2020	**As at 31/03/2020**	As at 31/12/2019	As at 31/12/2019
Secured (S$'000)	**Unsecured (S$'000)**	Secured (S$'000)	Unsecured (S$'000)
-	-	-	-

Amount payable after one year

As at 31/03/2020	**As at 31/03/2020**	As at 31/12/2019	As at 31/12/2019
Secured (S$'000)	**Unsecured (S$'000)**	Secured (S$'000)	Unsecured (S$'000)
-	-	-	-

Details of collateral

Not applicable.

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

Consolidated statement of cash flows
For the first quarter ended 31 March 2020

	Group	
	3 mths to 31 Mar 2020 S$'000	3 mths to 31 Mar 2019 S$'000
Cash flows from operating activities		
(Loss)/profit for the financial period	**(17,841)**	13,214
Adjustments for:		
Interest income from deposits	**(24)**	(32)
Interest expense on lease liabilities	**2**	3
Dividends from subsidiary	**(735)**	(750)
Depreciation on property, plant and equipment	**4**	5
Depreciation on right-of-use assets	**43**	41
Gain on disposal of property, plant and equipment	**(4)**	-
Net change in fair value of equity investments at FVTPL	**7,501**	(12,583)
Net change in fair value of debt investment at FVTPL	**11,270**	(204)
Unrealised exchange gain	**(120)**	(33)
	96	(339)
Changes in operating assets and liabilities		
Equity investments at FVTPL	**3,310**	(379)
Other receivables	**(228)**	(171)
Amount due from related parties	**37**	(61)
Other payables	**(511)**	(428)
Cash generated from/(used in) operations	**2,704**	(1,378)
Dividends from subsidiary	**735**	750
Net interest received	**23**	30
Income tax paid	**-**	-
Net cash generated from/(used in) operating activities	**3,462**	(598)
Cash flows from investing activity		
Purchase of property, plant and equipment, net	**(4)**	(3)
Net cash used in investing activity	**(4)**	(3)
Cash flows from financing activity		
Payment of lease liabilities	**(40)**	(37)
Net cash used in financing activity	**(40)**	(37)
Net increase/(decrease) in cash and cash equivalents	**3,418**	(638)
Cash and cash equivalents at 1 January	**14,201**	12,903
Effect of exchange rate fluctuations on cash held	**421**	(6)
Cash and cash equivalents at 31 March	**18,040**	12,259

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

Consolidated statements of changes in equity
For the first quarter ended 31 March 2020

Group	Share capital S$'000	Capital reserve S$'000	Retained earnings S$'000	Total S$'000
2020				
At 1 January 2020	**56,650**	**556**	**69,405**	**126,611**
Total comprehensive deficit for the financial period				
Loss for the financial period	**-**	**-**	**(17,841)**	**(17,841)**
Total comprehensive deficit for the financial period	**-**	**-**	**(17,841)**	**(17,841)**
At 31 March 2020	**56,650**	**556**	**51,564**	**108,770**

Group	Share capital S$'000	Capital reserve S$'000	Retained earnings S$'000	Total S$'000
2019				
At 1 January 2019	56,650	556	57,467	114,673
Total comprehensive income for the financial period				
Profit for the financial period	-	-	13,214	13,214
Total comprehensive income for the financial period	-	-	13,214	13,214
At 31 March 2019	56,650	556	70,681	127,887

Company	Share capital S$'000	Capital reserve S$'000	Retained earnings S$'000	Total S$'000
2020				
At 1 January 2020	**56,650**	**556**	**71,172**	**128,378**
Total comprehensive deficit for the financial period				
Loss for the financial period	**-**	**-**	**(18,760)**	**(18,760)**
Total comprehensive deficit for the financial period	**-**	**-**	**(18,760)**	**(18,760)**
At 31 March 2020	**56,650**	**556**	**52,412**	**109,618**

Company	Share capital S$'000	Capital reserve S$'000	Retained earnings S$'000	Total S$'000
2019				
At 1 January 2019	**56,650**	**556**	**60,467**	**117,673**
Total comprehensive income for the financial period				
Profit for the financial period	-	-	12,754	12,754
Total comprehensive income for the financial period	-	-	12,754	12,754
At 31 March 2019	56,650	556	73,221	130,427

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, subdivision, consolidation, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's issued share capital.

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

The Company did not have any treasury shares as at end of the current financial year reported on and as at the end of the immediately preceding financial year.

	31 Mar 2020	31 Dec 2019
Total number of issued shares	**241,685,638**	241,685,638

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

Not applicable.

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

The figures have not been audited or reviewed by our auditors.

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

Not applicable.

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

The Group had consistently applied the accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2019.

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

Not applicable.

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

Earnings per ordinary share
For the first quarter ended 31 March 2020

	Group	
	3 mths to 31 Mar 2020	3 mths to 31 Mar 2019
Earnings per ordinary share of the Group after deducting any provisions for preference dividends:		
(a) Based on the weighted average number of ordinary shares on issue; and	**(7.38) cts**	5.47 cts
(b) On a fully diluted basis	**(7.38) cts**	5.47 cts

Earnings per ordinary share has been computed on the following weighted average number of shares:		
(a) Basic	**241,685,638**	241,685,638
(b) Diluted	**241,685,638**	241,685,638

7. Net asset value for the Group and the Company per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Mar 2020 S$	31 Dec 2019 S$	**31 Mar 2020 S$**	31 Dec 2019 S$
Net asset value per ordinary share based on issued share capital	**0.45**	0.52	**0.45**	0.53

Net asset value per ordinary share has been computed based on the number of shares in issue as at 31 March 2020 of 241,685,638 (31 December 2019: 241,685,638).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

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

The Group's income is primarily derived from the realisation and/or revaluation of its investments.

1Q2020

During the financial period ended 31 March 2020, the Group reported total comprehensive deficit of S$17.84 million mainly attributed to:

(i) Fair value loss on debt investment at FVTPL of S$11.27 million (see explanatory Note 3 on page 3).
(ii) Fair value loss on equity investments at FVTPL (after adjusting for dividends from subsidiary) of S$6.76 million (see explanatory Note 2 on page 3).
(iii) Operating expenses of S$1.49 million.

The losses were offset partially by:

(iv) Other operating income of S$1.5 million.

Net Asset Value ("NAV")

The Group's NAV as at 31 March 2020 was S$108.77 million (representing a NAV of S$0.45 per share), a decrease of S$17.84 million from the NAV of S$126.61 million (S$0.52 per share) as at 31 December 2019.

(v) The decrease in the Group's NAV of S$17.84 million was largely due to fair value loss on debt investment at FVTPL of S$11.27 million and fair value loss on equity investments at FVTPL (after adjusting for dividends from subsidiary) of S$6.76 million.

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

No forecast or prospect statement has been previously made.

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

The emergence of the COVID-19 pandemic is set to plunge the global economy into a deep recession in 2020, as a result of the unprecedented shutdown of economic activities around the world. According to the International Monetary Fund ("IMF") estimates in April 2020, the global economy is projected to contract by 3.0% in 2020, compared to its previous forecast in January of 3.3% growth. The IMF cautioned that 2020 may see a far worse recession than the one that followed the global financial crisis of 2008.

Authorities had gradually reopened the markets in Greater China in March to a rebound in venture capital funding. The rise in activity suggests that funds had taken advantage of lower valuations resulting from the pandemic. However, the fundraising activity is still significantly less than that of previous years.

The novel coronavirus has injected a high level of uncertainty into global markets that has affected investor sentiment. While deal making is likely to slow in the Southeast Asia region in the near term, investors remain positive about the region's growth prospects and are expected to continue their investments in the form of acquisitions in the region.

TIH will continue to source for opportunities for attractive investment opportunities in special situations, corporates deleveraging and non-core secondary assets, leveraging on its fluency in corporate finance and strong network of partnerships within the Southeast Asia and Greater China regions. With its Capital Markets Services License from the Monetary Authority of Singapore, the Group's wholly-owned subsidiary, TIH Investment Management Pte. Ltd., continues to seek out non-dilutive financing to deploy or manage to build up its recurring income stream, in order to enhance shareholder value and increase equity capital.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes.

Name of dividend	Interim
Dividend type	Cash
Dividend amount per ordinary share	1.0 cent
Tax rate	One-tier tax exempt

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Please refer to the "NOTICE OF RECORD DATE AND INTERIM DIVIDEND PAYMENT DATE" announced on 14 May 2020.

(d) Books closure date

Please refer to the "NOTICE OF RECORD DATE AND INTERIM DIVIDEND PAYMENT DATE" announced on 14 May 2020.

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

Not applicable.

13. Interested person transactions.

Pursuant to the Interested Person Transactions Mandate, the following transaction took place between the Group and interested persons during the quarter ended 31 March 2020:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST (excluding transactions less than S$100,000)
Argyle Street Management Holdings Limited ("ASMHL") and its associates ("ASMHL group")	ASMHL is a deemed controlling shareholder of the Company	S$259,000

14. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

No new proceeds have been raised in the quarter ended 31 March 2020.

15. Confirmation pursuant to Rule 705(5) in the Listing Manual of SGX-ST.

The Board has confirmed that to the best of its knowledge, nothing has come to its attention, which may render the unaudited financial results of the Group for first quarter ended 31 March 2020 to be false or misleading in any material aspect.

16. Confirmation pursuant to Rule 720(1) of the Listing Manual.

The Board of Directors hereby confirms that it has procured the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
For and on behalf of TIH Limited

Allen Wang
CEO
TIH Investment Management Pte. Ltd.
14 May 2020