

ANNUAL REPORT 2015

TIH LIMITED

(Unique Entity No.: 199400941K)



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Corporate Information

Board of Directors

Kin Chan (Chairman, Non-Executive Director)
 Wang Ya Lun Allen (Deemed Executive Director)
 Li Yick Yee Angie (Non-Executive Director)
 Vince Feng (Independent Director)
 Liong Tong Kap (Lead Independent Director)
 Daniel Budiman (Independent Director)

Company Secretary

Tham Shook Han, FCIS

Investment Manager

TIH Investment Management Pte. Ltd.
 137 Telok Ayer Street #03-07
 Singapore 068602

Audit Committee

Liong Tong Kap (Chairman)
 Vince Feng
 Daniel Budiman

Nominating Committee

Daniel Budiman (Chairman)
 Liong Tong Kap
 Kin Chan

Remuneration Committee

Vince Feng (Chairman)
 Liong Tong Kap
 Li Yick Yee Angie

Board Investment Committee

Daniel Budiman
 Kin Chan
 Wang Ya Lun Allen (CEO of Investment Manager)

Lead Independent Director

Liong Tong Kap

Risk Governance Committee

Daniel Budiman (Chairman)
 Kin Chan
 Wang Ya Lun Allen
 Li Yick Yee Angie
 Vince Feng
 Liong Tong Kap

Registrars and Share Transfer Office

Boardroom Corporate & Advisory Services Pte Ltd
 50 Raffles Place
 #32-01 Singapore Land Tower
 Singapore 048623

Bankers

DBS Bank Ltd
 United Overseas Bank Limited

Auditors

KPMG LLP
 Public Accountants and Chartered Accountants
 16 Raffles Quay #22-00
 Hong Leong Building
 Singapore 048581

Partner in charge of audit:

Barry Lee Chin Siang
 (appointed from the financial year ended 31
 December 2012)

Unique Entity No.

199400941 K

Registered Office

137 Telok Ayer Street
 #03-07
 Singapore 068602
 Tel : 65 - 6224 1211
 Fax : 65 - 6225 5538
 Website: www.tih.com.sg

Chairman's Statement

Dear Shareholders,

On behalf of the Board of TIH Limited ("TIH" or the "Company"), I am pleased to present to you our annual report for the financial year ended 31 December 2015 ("FY2015").

Since the completion of the internalisation of the investment management function in 2014, TIH has undergone various strategic initiatives which include special situation investment opportunities and the acquisition of non-core assets from strategic partners, to create long-term value and enhance capital return on equity. We are starting to reap benefits from the build-up of positive momentum resulting from these initiatives.

During the financial year, we made seven new investments and realised two exits. We expect our investment momentum to continue to ramp up in the next few years given the increasingly volatile capital market and uncertain economic outlook across Asia. As such, we have taken steps to position ourselves to capture opportunities including further efforts to acquire and manage non-core secondary assets for our partners in 2016.

We are excited about the achievements that the Company and its management have made. In 2015, Mr. Stanley Wang joined the Investment Manager as Senior Executive Vice President, thereby strengthening our capabilities. Mr. Wang brings with him extensive experience in the origination, investment execution and research for investments in Asia.

For FY2015, the Company recorded a profit of S\$9.5 million. The net asset value ("NAV") of TIH as at 31 December 2015 was S\$100.5 million, a 1.4% increase from the NAV of S\$99.1 million as at 31 December 2014. The change in NAV was mainly due to a combination of the change in fair value of its investment portfolios and successful exits. We will continue to focus on value creation for our investors.

On behalf of the Board and Investment Manager, I wish to thank all shareholders and staff for their invaluable support and continued confidence in TIH.

Kin Chan
Chairman
15 March 2016

Operating and Financial Review by the Investment Manager

The Company is an investment holding company which primarily invests in companies with capital appreciation potential and the Group's income is primarily derived from the realisation and/or the revaluation of its portfolio investments at fair value in accordance with financial reporting standards.

During 2015, the Group made seven new investments totaling S\$23.02 million, one follow-on investment of S\$2.15 million and divested two portfolios.

For the financial year ended 31 December 2015, the Group reported profit attributable to shareholders of S\$9.51 million and total comprehensive income of S\$1.39 million. Net asset value ("NAV") increased from S\$99.12 million (or S\$0.41 per share) last year to S\$100.51 million (or S\$0.42 per share) this year, an improvement of S\$1.39 million. The increase was mainly attributable to fair value gains on investments at fair value through profit or loss of S\$15.11 million (after adjusting for dividends from subsidiary of S\$10.55 million), net gain on disposal of ACE International (BVI) Limited of S\$2.03 million and interest income of S\$1.0 million arising from the loan granted to a portfolio company. This was partially offset by fair value loss on Fortune Code Limited of S\$12.59 million (comprising impairment loss of S\$4.74 million and reversal of previously accumulated fair value gain of S\$7.85 million) due to the decline in the share price of the underlying quoted equity securities, and operating expenses of S\$3.82 million.

The gains on investments at fair value through profit or loss of S\$15.11 million was mainly attributed to the following portfolio investments:

- (i) increase in fair value of TIHT Investment Holdings Pte Ltd of S\$6.99 million primarily due to fair value gain from the underlying investment in Mitsui Life Insurance Company Limited;
- (ii) increase in fair value of Chang Chun Road Limited of S\$1.4 million;
- (iii) increase in fair value of Sanmin Road Limited of S\$1.1 million;
- (iv) increase in fair value of Garden Road Holding Limited of S\$0.9 million;
- (v) increase in fair value of Batavia Enterprise Limited of S\$0.7 million;
- (vi) final distributions from Transpac Funds of S\$2.79 million in which the Group holds interests; and
- (vii) release of contingent liability on tax and expenses of S\$1.79 million relating to a divested portfolio.

Despite weak macroeconomics, the investment climate in Asia remains encouraging. In line with our mandate to invest in Southeast Asia and the Greater China region, we will continue to tap on our strong network of investors in Asia to strengthen our deal-sourcing abilities. Concurrently, we will build on existing collaborations and strategic partnerships while establishing new relationships to further bolster the Group's performance.

Yours sincerely
 TIH Investment Management Pte. Ltd.
 Allen Wang
 Chief Executive Officer
 15 March 2016

Top Five Investments

5 Largest Investments as at 31 December 2015 ⁺

Group	Sector	Cost S\$'000	Carrying Amount As At 31 December 2015 S\$'000	% of Shareholding	Share of Underlying Earnings S\$'000		Net Assets (at book value) Attributable To Investments S\$'000		Gross Dividends / Distributions S\$'000
<u>Available-for-sale investments and loan receivable</u>									
Fortune Code Limited	Property and Development	52,204 [^]	39,685 [^]	7.95	(2,099)	#1	18,289	#1	–
<u>Investments at fair value through profit or loss</u>									
TIHT Investment Holdings Pte. Ltd.	Financial Services / Electronic Components	17,250	25,960	55.00	(3,505)	#2	34,883	#2	–
Bowen Road Limited	Consumer Services	9,931	9,901	23.33	(2)	#1	9,900	#1	–
Chang Chun Road Limited	Property and Development	6,730	8,353	22.73	1,280	#1	8,353	#1	–
Garden Road Holding Limited	Industrial Components	3,819	5,180	22.21	800	#1	5,180	#1	–
Total		<u>89,934</u>	<u>89,079</u>						

⁺ : As at 31 December 2015, the Group's investments comprised 12 portfolio companies. The above top 5 investments represent approximately 89% of the Group's total investments at fair value and loan receivable as at 31 December 2015.

[^] : Includes interest bearing loan receivable.

#1 : Based on management accounts for the year ended 31 December 2015.

#2 : Based on audited financial statements for the year ended 31 December 2015.

Notes:

The Group classifies its investments into three categories: available-for-sale investments, investments at fair value through profit or loss and loans and receivables (See Note 3.3(i) of the Financial Statements for further details).

Unrealised gains and losses arising from changes in the fair value of both quoted and unquoted investments classified as available-for-sale are recognised in other comprehensive income and presented in the fair value reserve within equity. When investments classified as available-for-sale are sold or impaired, the accumulated balance in the fair value reserve within equity is reclassified in the profit or loss statement. As at 31 December 2015, the Group has one portfolio investment which was held directly through the parent company, TIH Limited. The investment was accounted for as available-for-sale investments in the consolidated financial statements.

Realised and unrealised gains and losses arising from changes in the fair value of the “investments at fair value through profit or loss” category are included in the profit or loss statement in the period in which they arise. As at 31 December 2015, the Group has two controlled subsidiary investments, Little Rock Group Limited and Killian Court Pte. Ltd., which do not provide investment-related services. These subsidiaries were measured at fair value through profit or loss in accordance with the amended *FRS 110 Consolidated Financial Statements- Investment Entities*.

Loans and receivables are measured at amortised cost using the effective interest method less any impairment losses. Interest income and any impairment losses are recognised in the profit or loss statement.

(1) Available-for-sale investments and loan receivable

During the financial year ended 31 December 2015:

- (a) *the Group recorded fair value loss on Fortune Code Limited of S\$12.59 million due to the decline in the share price of the underlying quoted equity securities;*
- (b) *the Group divested one portfolio, ACE International (BVI) Limited and recorded a gain of S\$2.03 million; and*
- (c) *the Group recorded interest income of S\$1.0 million from loan granted to a portfolio company. The loan, which will mature in October 2017, has a carrying amount of S\$28.96 million as at 31 December 2015.*

(2) Investments at fair value through profit or loss

During the financial year ended 31 December 2015, the Group made seven new investments and one divestment and recorded total fair value gain of S\$15.11 million on investments at fair value through profit or loss which include:

- (a) *gain from divestment of Sanmin Road Limited of S\$1.1 million;*
- (b) *fair value gain from TIHT Investment Holdings Pte Ltd of S\$6.99 million primarily due to the underlying investment in Mitsui Life Insurance Company Limited;*
- (c) *fair value gain from Chang Chun Road Limited, Garden Road Holding Limited and Batavia Enterprise Limited of S\$3.0 million; and*
- (d) *final distribution from Transpac Funds of S\$2.79 million and release of total contingent liability on tax and expenses of S\$1.79 million relating to a divested portfolio.*

Distribution of Investments by Country and Industry as at 31 December 2015

SS '000	China / Hong Kong	Indonesia	Japan	Malaysia	Singapore	Taiwan	Thailand	Others	Total At Cost	Fair Value	Fair Value as % of Group NTA #
Consumer Products	–	1,196	–	–	–	–	–	–	1,196	1,300	1.29
Consumer Services	–	9,931	–	2,735	–	–	–	–	12,666	13,026	12.96
Electronics Components	–	–	–	–	455	–	–	–	455	719	0.72
Financial Services	823	–	16,795	–	–	–	–	–	17,618	27,513	27.37
Industrial Components	3,819	–	–	–	–	–	–	–	3,819	5,180	5.15
Mining	–	866	–	–	–	–	–	677	1,543	463	0.46
Property and Development	–	–	–	–	52,204 ^	2,266	6,730	–	61,200	51,339	51.08
At Cost	4,642	11,993	16,795	2,735	52,659	2,266	6,730	677	98,497	99,540	99.03
At Fair Value	6,016	11,664	25,241	3,125	41,437 ^	3,301	8,353	403		99,540	99.03
Fair value as % of Group NTA #	5.99	11.60	25.11	3.11	41.23	3.28	8.31	0.40		99.03	

Notes:–

^ : Includes equity and interest bearing loan receivable.

: Based on Group NTA of \$100,514,000 as at 31 December 2015.

Directors' Statement*Year ended 31 December 2015*

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2015.

In our opinion:

- (a) the financial statements set out on pages 13 to 56 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 December 2015 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 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Kin Chan	(Chairman, Non-Executive Director)	
Wang Ya Lun Allen	(Deemed Executive Director)	(Appointed on 26 February 2015)
Vince Feng	(Independent Director)	
Liong Tong Kap	(Independent Director)	
Li Yick Yee Angie	(Non-Executive Director)	
Daniel Budiman	(Independent Director)	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of Directors	Directors' interests in shares			
	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Kin Chan	—	—	129,011,216	129,011,216
Li Yick Yee Angie	—	—	129,011,216	129,011,216

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2016.

Except as disclosed under the ‘Warrants’ section of this statement, 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 object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

On 30 January 2015, the Company entered into a Strategic Support Services Agreement with ASM Administration Limited, which took effect retrospectively from 1 July 2014 to render services of sourcing of potential investment opportunities for TIH Limited pursuant to the Strategic Support Services Agreement. Mr Kin Chan and Ms Angie Li are both directors in ASM Advisors Limited, the corporate director of ASM Administration Limited.

Warrants

The issue of the Company’s warrants was approved and adopted by its members at an Extraordinary General Meeting held on 29 April 2014. The Company issued 702,942,318 bonus warrants to be exercised over two different exercise periods. The first exercise period was from 19 May 2014 to 19 November 2014 and the second exercise period will be from 19 May 2016 to 19 May 2017. The exercise price for each bonus warrant was \$1.28 during the first exercise period and will be \$2.28 during the second exercise period.

Date of issue	Warrants issued	Warrants exercised as at 31 Dec 2015	Warrants outstanding as at 31 Dec 2015	Date of expiry
22 May 2014	702,942,318	5,511,479	697,430,839	19 May 2017

Name of Directors	Directors’ interests in bonus warrants			
	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Kin Chan	—	—	1,456,326	1,456,326
Li Yick Yee Angie	—	—	1,456,326	1,456,326

Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

Audit committee

The members of the Audit Committee (“AC”) during the year and at the date of this statement are:

- Liong Tong Kap (Chairman), non-executive Director, Lead Independent Director
- Vince Feng, non-executive Director
- Daniel Budiman, non-executive Director

All AC members are independent.

The AC performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The AC has held four meetings since the last directors’ statement. In performing its functions, the Audit Committee met with the Company’s external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company’s internal accounting control system.

The AC also reviewed the following:

- (a) the audit plan of the Company’s auditors;
- (b) the scope and results of external audit procedures and the response by the Investment Manager¹;
- (c) the guidelines for corporate governance as set forth by the Singapore Code of Corporate Governance 2012 issued on 2 May 2012;
- (d) the assistance provided by the Investment Manager to the auditors;
- (e) the quarterly financial information and annual financial statements of the Group and of the Company prior to their submission to the Board of Directors and the auditor’s report on those financial statements;
- (f) the scope and results of the internal audit procedures as audited by the internal auditors, on the effectiveness of the internal controls of the Company; and
- (g) interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The AC has full access to the staff and senior management of the Investment Manager and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or the Investment Manager to attend its meetings. The AC also recommends the appointment of external auditors and reviews the level of audit and non-audit fees.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

¹ Via an Investment Management Agreement dated 1 September 2014, entered into between the Company and TIH Investment Management Pte. Ltd. (the “Investment Manager”), the management of the Company has been vested in the Investment Manager.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Kin Chan
Chairman

Wang Ya Lun Allen
Director

25 February 2016

Independent Auditors' Report

To the Members of TIH Limited

Report on the financial statements

We have audited the accompanying financial statements of TIH Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 56.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (‘the Act’) and Singapore Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

25 February 2016

Statements of Financial Position*As at 31 December 2015*

		Group		Company	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Assets					
Current assets					
Cash and cash equivalents	4	18,722	31,774	15,010	31,671
Other receivables	5	4,544	460	4,338	311
Loan receivable	6	—	27,965	—	27,965
		23,266	60,199	19,348	59,947
Non-current assets					
Investments					
- At fair value through profit or loss	7	59,855	39,037	59,855	39,037
- Available-for-sale	8	10,721	21,776	10,721	21,776
- Subsidiary	9	—	—	5,000	1,000
		70,576	60,813	75,576	61,813
Loan receivable	6	28,964	—	28,964	—
Property, plant and equipment	10	63	79	—	—
		99,603	60,892	104,540	61,813
Total assets		122,869	121,091	123,888	121,760
Liabilities					
Current liabilities					
Other payables	11	18,290	17,683	17,439	17,322
Derivatives	12	33	373	33	373
		18,323	18,056	17,472	17,695
Non-current liabilities					
Convertible bonds	13	4,032	3,915	4,032	3,915
Total liabilities		22,355	21,971	21,504	21,610
Net assets		100,514	99,120	102,384	100,150
Equity attributable to owners of the Company					
Share capital	14	56,650	56,650	56,650	56,650
Retained earnings		43,308	33,794	45,178	34,824
Capital reserve	15	556	556	556	556
Fair value reserve	15	—	8,120	—	8,120
Total equity		100,514	99,120	102,384	100,150

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

Consolidated Statement of Profit or Loss*Year ended 31 December 2015*

		Group	
	Note	2015	2014
		\$'000	\$'000
Dividends from subsidiaries		10,549	179
Net gain on disposal of investments		2,029	–
Net change in fair value of investments at fair value through profit or loss		4,559	2,679
Net change in fair value of derivative financial instruments		(324)	(373)
Interest income from unquoted equity investments		999	2,245
Impairment losses		(4,743)	–
Net gains from investments		13,069	4,730
Other operating income		315	128
Total investment income		13,384	4,858
Finance income		100	111
Finance costs		(150)	(83)
Net finance (costs)/income	19	(50)	28
Operating expenses		(3,821)	(4,295)
Profit before tax		9,513	591
Income tax	20	1	–
Profit for the year attributable to owners of the Company	21	9,514	591
Earnings per share			
Basic earnings per share (cents)	22(a)	3.94	0.25
Diluted earnings per share (cents)	22(b)	3.94	0.25

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2015

	Group	
	2015	2014
	\$'000	\$'000
Profit for the year	9,514	591
Other comprehensive deficit		
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Net change in fair value of available-for-sale investments	(7,846)	(15,336)
Net change in fair value on disposal of available-for-sale investments reclassified to profit or loss	(274)	–
Tax on items that are or may be reclassified subsequently to profit or loss	–	–
Other comprehensive deficit for the year, net of tax	(8,120)	(15,336)
Total comprehensive income/(deficit) for the year attributable to owners of the Company	1,394	(14,745)

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

Consolidated Statements of Changes in Equity

Year ended 31 December 2015

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

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

Group	Note	Share capital \$'000	Capital reserve (Note 15) \$'000	Fair value reserve (Note 15) \$'000	Retained earnings \$'000	Total \$'000
2014						
At 1 January 2014		47,496	306	23,456	44,919	116,177
Total comprehensive deficit for the year						
Profit for the year		—	—	—	591	591
Other comprehensive deficit						
Net change in fair value of available- for-sale investments		—	—	(15,336)	—	(15,336)
Tax on other comprehensive deficit		—	—	—	—	—
Total other comprehensive deficit, net of tax		—	—	(15,336)	—	(15,336)
Total comprehensive deficit for the year		—	—	(15,336)	591	(14,745)
Transactions with owners, recognised directly in equity						
Proceeds from Bonus Warrants exercised		7,054	—	—	—	7,054
Bonus Warrants issue expenses		—	(110)	—	—	(110)
Issuance of Convertible Bonds		—	535	—	—	535
Convertible Bonds issue expenses		—	(6)	—	—	(6)
Conversion of Convertible Bonds		2,100	(169)	—	—	1,931
Dividends declared	16	—	—	—	(11,716)	(11,716)
At 31 December 2014		56,650	556	8,120	33,794	99,120

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

Statement of Changes in Equity

Year ended 31 December 2015

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

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

Company	Note	Share capital \$'000	Capital reserve (Note 15) \$'000	Fair value reserve (Note 15) \$'000	Retained earnings \$'000	Total \$'000
2014						
At 1 January 2014		47,496	306	23,456	44,327	115,585
Total comprehensive deficit for the year						
Profit for the year		–	–	–	2,213	2,213
Other comprehensive deficit						
Net change in fair value of available- for-sale investments		–	–	(15,336)	–	(15,336)
Tax on other comprehensive deficit		–	–	–	–	–
Total other comprehensive deficit, net of tax		–	–	(15,336)	–	(15,336)
Total comprehensive deficit for the year		–	–	(15,336)	2,213	(13,123)
Transactions with owners, recognised directly in equity						
Proceeds from Bonus Warrants exercised		7,054	–	–	–	7,054
Bonus Warrants issue expenses		–	(110)	–	–	(110)
Issuance of Convertible Bonds		–	535	–	–	535
Convertible Bonds issue expenses		–	(6)	–	–	(6)
Conversion of Convertible Bonds		2,100	(169)	–	–	1,931
Dividends declared	16	–	–	–	(11,716)	(11,716)
At 31 December 2014		56,650	556	8,120	34,824	100,150

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

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Profit for the year		9,514	591
Adjustments for:			
Income tax credit		(1)	–
Interest income from deposits		(100)	(111)
Interest income from unquoted equity investments		(999)	(2,245)
Dividends/distributions from subsidiaries		(10,549)	(179)
Depreciation on property, plant and equipment		43	23
Loss on disposal of property, plant and equipment		1	–
Interest expense on financial liabilities measured at amortised cost		117	81
Net change in fair value of investments at fair value through profit or loss		(4,559)	(2,679)
Net change in fair value of derivative financial instruments		324	373
Impairment losses		4,743	–
		(1,466)	(4,146)
Changes in operating assets and liabilities			
Investments		(18,067)	(29,049)
Other receivables		(585)	15,521
Other payables		486	(12,758)
Provisions		–	(487)
Cash used in operations		(19,632)	(30,919)
Dividends/distributions from subsidiaries		7,050	179
Dividends/distributions received from equity investments		–	61
Net interest received		100	110
Settlement of derivatives		(664)	–
Income tax paid		–	–
Net cash used in operating activities		(13,146)	(30,569)
Cash flows from investing activities			
Purchase of property, plant and equipment		(28)	(102)
Net cash used in investing activities		(28)	(102)
Cash flows from financing activities			
Proceeds from bonus warrants exercised		–	7,054
Proceeds from issue of convertible bonds		–	6,300
Bonus warrants issue expenses		–	(110)
Convertible bonds issue expenses		–	(6)
Dividends paid		–	(11,716)
Net cash generated from financing activities		–	1,522
Net decrease in cash and cash equivalents		(13,174)	(29,149)
Cash and cash equivalents at 1 January		31,774	60,659
Effect of exchange rate fluctuations on cash held		122	264
Cash and cash equivalents at 31 December	4	18,722	31,774

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

Notes to the Financial Statements

Year ended 31 December 2015

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 February 2016.

1 Domicile and activities

TIH Limited (the “Company”) is incorporated and domiciled in Singapore and its shares are publicly traded on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of its registered office is at 137 Telok Ayer Street, #03-07, Singapore 068602.

The principal activity of the Company is to invest, for capital appreciation, in securities of growing private companies located in Asia including principally China/Hong Kong SAR, Taiwan, Singapore, Malaysia, Thailand, Indonesia and Japan.

The investments that are accounted for as subsidiaries are further explained in Note 3.1.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the “Group”).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 3.1(i) – determining whether the Company meets the definition of an investment entity.

2 Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 18 – fair value determination of investments.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Board of Directors.

Fair values of financial assets that are traded in active markets are based on quoted prices or dealer price quotations. For unquoted investments the valuation team determines fair values using valuation techniques primarily earnings multiples, discounted cash flows and recent comparable transactions. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. Derivative financial instruments are based on dealer price quotations.

The valuation of the unquoted investments involves estimates, assumptions and judgement based upon available information and does not necessarily represent amounts which might ultimately be realised, since such amounts depend on future events. Due to the inherent uncertainty of valuation, the estimated fair values for the unquoted investments may differ significantly from the amounts that might ultimately be realised, and the differences could be material.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 18 – financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Investment entity and basis of consolidation

(i) Investment entity

In determining whether the Company meets the definition of an investment entity, management considered the business purpose and structure of the Group as a whole. The Company has been deemed to meet the definition of an investment entity as the Group obtains funds for the purpose of providing investors with professional investment management services, and manages the investment portfolio on a fair value basis as the Group seeks to invest for capital appreciation and investment income. Consequently, the Company measures its controlled subsidiary investments which do not provide investment-related services, at fair value through profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company holds controlled subsidiary investments which include special purpose entities (“SPEs”) and a wholly owned subsidiary which provides investment-related services. The SPEs have no operations and are incorporated for the purpose of holding underlying investments (the ‘portfolio companies’) on behalf of the Company. Consequently, these subsidiary investments are measured at fair value through profit or loss. The investment in the subsidiary which provides investment-related services is consolidated from the date the control commences until the date that control ceases in accordance with FRS 110.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interest (“NCI”) in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

3 Significant accounting policies (continued)

3.1 Investment entity and basis of consolidation (continued)

(iii) Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates which are held as part of the Group's investment portfolio are designated upon initial recognition as investments at fair value through profit or loss as their performance is evaluated on a fair value basis. This treatment is permitted by FRS 28 *Investments in Associates* ("FRS 28") which allows investments held by Investment Entities to be recognised and measured at fair value through profit or loss and accounted for in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* ("FRS 39"), with changes in fair value recognised in the profit or loss in the period of change. In accordance with FRS 39, investments in associates are accounted for in the same way in the Company's financial statements.

(iv) Subsidiary in the separate financial statements

Investment in subsidiary that provides investment-related services are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the retranslation of available-for-sale equity instruments for which the foreign currency differences are recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

3.3 Financial instruments

(i) Non-derivative financial assets

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

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(i) Non-derivative financial assets (continued)

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

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

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

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as an investment in subsidiary which does not provide investment-related services, investment in associate, held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as held for trading comprise equity securities acquired for the purpose of selling or repurchase in the short term.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, loan receivable and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(ii) Non-derivative financial liabilities

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

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

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

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

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

Other financial liabilities comprise other payables.

(iii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(iv) Compound financial instruments

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

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

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

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

(v) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in its fair value are recognised immediately in profit or loss.

3.4 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

3 Significant accounting policies (continued)

3.4 Impairment (continued)

(ii) Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(iii) Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(iv) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3 Significant accounting policies (continued)

3.4 Impairment (continued)

(iv) Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3 Significant accounting policies (continued)

3.5 Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of the property, plant and equipment.

The estimated useful lives are as follows:

Leasehold improvements	3 years or remaining lease period, whichever is shorter
Computer software/equipment	1 to 3 years

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

3.6 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3 Significant accounting policies (continued)

3.8 Investment income

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

(i) Dividend income

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

(ii) Interest income

Interest income on debt instruments is recognised on an accrual basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues amortising the discount as interest income on the recoverable amount.

3.9 Finance income and finance cost

Finance income comprises interest income on cash and cash equivalents. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance cost comprises interest expense on borrowings and amortisation of financial liabilities that are recognised in profit or loss.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3 Significant accounting policies (continued)

3.10 Tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.11 Dividends

Interim dividends are recorded in the year in which they are declared payable. Final dividends are recorded during the year in which the dividends are approved by the shareholders at the annual general meeting.

3.12 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprises convertible bonds and bonus warrants.

3.13 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

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

3 Significant accounting policies (continued)

3.13 Segment reporting (continued)

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

3.14 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

These new standards include, among others, FRS 109 *Financial Instruments* which is mandatory for adoption by the Group on 1 January 2018. FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for financial instruments, this standard is expected to be relevant to the Group and the Company.

The Group does not plan to adopt these standards early.

4 Cash and cash equivalents

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash and bank balances	5,070	1,325	4,572	1,222
Short-term fixed deposits with banks	13,652	30,449	10,438	30,449
	18,722	31,774	15,010	31,671

5 Other receivables

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Interest receivable	3	3	2	3
Amounts due from related parties	79	39	44	12
Dividend receivable	3,499	—	3,499	—
Deposits	44	49	1	1
Prepayment	88	77	17	15
Others	831	292	775	280
	4,544	460	4,338	311

At the reporting date, the carrying amounts of other receivables approximate their fair values and represent the maximum exposure to credit risk at the reporting date.

6 Loan receivable

In 2010, the Group and the Company granted a loan to a portfolio company at an effective interest rate of 20.0% per annum and maturity in February 2013. The terms of the loan were subsequently renegotiated in October 2012 at an interest rate of 9.5% per annum and maturity in October 2015 and again in August 2015 at an interest rate of 6.5% and maturity in October 2017. In 2013, the Group received partial repayment of the loan amounting to \$2,020,000. At the reporting date, the carrying amount of loan receivable has an interest receivable portion of \$12,585,000 (2014: \$11,586,000).

7 Investments - At fair value through profit or loss

	Group and Company	
	2015	2014
	\$'000	\$'000
Subsidiaries, designated at fair value through profit or loss	59,855	39,037

Included in the carrying amounts of the subsidiaries for the Group and the Company were unsecured, interest-free loans with no fixed repayment terms of \$47,065,000 (2014: \$30,104,000) which were in substance the Company's cost of investment in the subsidiaries.

These subsidiaries are measured at fair value through profit or loss as the Company meets the qualifying criteria of an investment entity.

Fair values of the subsidiaries are derived based on their net asset values. Management believes that the net asset value reasonably approximates the fair value as the subsidiaries are investment holding companies which hold mainly investments measured at fair value.

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

Subsidiaries held by the Group as at 31 December are as follows:

Name of company	Principal activity	Country of incorporation	Effective equity interest	
			2015 %	2014 %
Killian Court Pte. Ltd. ¹	Investment holding	Singapore	100	100
Little Rock Group Limited ²	Investment holding	British Virgin Islands	100	100

Management has also assessed that Killian Court Pte. Ltd. and Little Rock Group Limited meet the qualifying criteria of an investment entity. Investments that are controlled by Killian Court Pte. Ltd. and Little Rock Group Limited as at 31 December are as follows:

Name of company	Principal activity	Country of incorporation	Effective equity interest	
			2015 %	2014 %
Killian Court Pte. Ltd.				
Alpha Fountain Limited ²	Investment holding	British Virgin Islands	100	100
Ascend Ventures Limited ²	Investment holding	British Virgin Islands	100	100
Cadence Capital Investments Limited ²	Investment holding	British Virgin Islands	100	—
Centrex Link Limited ²	Investment holding	British Virgin Islands	100	100
China M Ventures Limited (F.K.A. Sky Ville Investments Limited) ²	Investment holding	British Virgin Islands	100	100
Crest Spring Limited ²	Investment holding	British Virgin Islands	100	—
Global Asia Ventures Limited ²	Investment holding	British Virgin Islands	100	100
Lilydale International Limited ²	Investment holding	British Virgin Islands	100	100
Region Capital Investments Limited ²	Investment holding	British Virgin Islands	100	100

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

Name of company	Principal activity	Country of incorporation	Effective equity interest	
			2015 %	2014 %
Ridge Oak Limited ²	Investment holding	British Virgin Islands	100	–
Riva Dew Limited ²	Investment holding	British Virgin Islands	100	–
Spring Rose Investments Limited ²	Investment holding	British Virgin Islands	100	100
TIHT Investment Holdings Pte. Ltd. ¹	Investment holding	Singapore	55	55
TIHT Investment Holdings II Pte. Ltd. ³	Investment holding	Singapore	100	–
Twin Fountain Investments Limited ²	Investment holding	British Virgin Islands	100	100
Little Rock Group Limited				
Water Bay Developments Limited ²	Investment holding	British Virgin Islands	100	100

1 Audited by KPMG LLP, Singapore.

2 Not required to be audited under the legislation of the country of incorporation, but its unaudited financial statements are reviewed as part of the Group audit.

3 Incorporated on 6 August 2015 and was inactive at 31 December 2015.

The Company receives dividend income from its subsidiaries, and there are no significant restrictions on the transfer of funds from these subsidiaries to the Company.

The Company provides ongoing support to its subsidiaries for the purchase of investments. The Company has undertaken to provide such financial support to its subsidiaries as it is required from time to time to enable these subsidiaries to meet their obligations as and when they fall due. The Company has no contractual commitments or current intentions to provide any other financial or other support to its subsidiaries.

At the reporting date, all the assets of a certain indirect subsidiary of the Company were charged in favour of its non-controlling interest for the deferred payment of consideration for certain portfolio companies acquired (“deferred payment”). Under the terms of the charge agreement, all the shares in the investment held by its immediate holding company were held as security for the deferred payment.

At the reporting date, there were outstanding capital commitment obligations of \$1,973,000 (2014: \$2,107,000) with respect to a specific portfolio company investment.

8 Investments - Available-for-sale

	Group and Company	
	2015	2014
	\$'000	\$'000
Unquoted equity securities	10,721	21,776

9 Investments - Subsidiary

	Company	
	2015	2014
	\$'000	\$'000
Unquoted equity shares, at cost	5,000	1,000

As the subsidiary provides investment management and related services to the Group, the subsidiary is measured at cost less impairment by the Company and consolidated at the Group level. Details of the subsidiary are as follows:

Name of company	Principal activity	Country of incorporation and place of business	Effective equity interest	
			2015	2014
			%	%
TIH Investment Management Pte. Ltd. ¹	Investment management	Singapore	100	100

1 Audited by KPMG LLP, Singapore.

10 Property, plant and equipment

Group	Leasehold improvements \$'000	Computer software/ equipment \$'000	Total \$'000
Cost			
At 1 January 2014	—	—	—
Additions	21	81	102
At 31 December 2014	21	81	102
Additions	—	28	28
Disposal	—	(2)	(2)
At 31 December 2015	21	107	128
Accumulated depreciation			
At 1 January 2014	—	—	—
Depreciation	7	16	23
At 31 December 2014	7	16	23
Depreciation	11	32	43
Disposal	—	(1)	(1)
At 31 December 2015	18	47	65
Carrying amounts			
At 31 December 2014	14	65	79
At 31 December 2015	3	60	63

11 Other payables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Advance consultancy fee received	514	—	—	—
Directors' fees payable	428	387	428	387
Accruals for operating expenses	17,348	17,296	17,011	16,935
	18,290	17,683	17,439	17,322

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

Included in accruals for operating expenses is an amount of \$16,422,000 (2014: \$16,044,000) for the Group and the Company for tax and expenses relating to certain divestments.

12 Derivatives

	Group and Company	
	2015	2014
	\$'000	\$'000
Forward exchange contracts	33	373

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

13 Convertible bonds

	Group and Company	
	2015	2014
	\$'000	\$'000
Carrying amount of liability at 1 January	3,915	–
Proceeds from issuance of convertible bonds	–	6,300
Net proceeds	3,915	6,300
Capitalisation as equity	–	(535)
Conversion of bonds to ordinary shares during the year	–	(1,931)
Accreted interest	117	81
Carrying amount of liability at 31 December	4,032	3,915

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

At 31 December 2015, the outstanding bonds are convertible into 2,955,763 (2014: 2,955,763) ordinary shares at the option of the holder or automatically convertible to ordinary shares upon meeting certain criteria stipulated in the bonds agreement. On Maturity Date, all outstanding bonds shall automatically be redeemable by the Company at their principal amount.

14 Share capital

Company	2015	2014
	Number of shares	
	'000	'000
At 1 January	241,686	234,314
New shares issued		
- Exercise of bonus warrants	–	5,512
- Conversion of convertible bonds	–	1,860
At 31 December	241,686	241,686

All issued shares are fully paid, with no par value.

14 Share capital (continued)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Issuance of ordinary shares

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

As at 31 December 2015, there were 697,430,839 (2014: 697,430,839) bonus warrants outstanding. Each bonus warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of \$2.28 during the 12 month period commencing on 19 May 2016 up to 19 May 2017.

15 Reserves

The reserves are not distributable by way of cash dividends.

Capital reserve

The capital reserve arose mainly from the Company's capital reduction exercise in 1999. In 2012, \$90,794,000 was capitalised pursuant to the bonus shares issue exercise. In 2014, \$535,000 was capitalised due to the issuance of convertible bonds (See Note 13).

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

16 Dividends

The following interim exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group and Company	
	2015	2014
	\$'000	\$'000
Paid by the Company to owners of the Company		
Nil cents per ordinary share (2014: 5.0 cents)	—	11,716

As at 31 December 2015, the Group and the Company has distributed cumulative dividends of \$412.23 million (2014: \$412.23 million) out of retained earnings.

17 Agreements

On 30 January 2015, the Company entered into a Strategic Support Services Agreement with ASM Administration Limited (“ASMAL”), a shareholder of the Company, to provide support services such as deal-sourcing to the Company. The agreement was effective 1 July 2014 for a fixed fee of US\$500,000 per annum. At the reporting date, the fee for the year was \$686,000 (2014: \$329,000).

18 Financial instruments

Financial risk management

Overview

The Group has exposures to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Board has established the Risk Governance Committee, which is responsible for developing and monitoring the Group’s risk management policies. The members of the Risk Governance Committee comprise of the entire Board of Directors.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s loan receivable and other receivables.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company’s maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

18 Financial instruments (continued)

Credit risk (continued)

The Group and the Company ensure that cash are placed with financial institutions of recognised credit standing.

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

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Portfolio company	28,964	27,965	28,964	27,965
Others	4,412	334	4,320	295
	33,376	28,299	33,284	28,260

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	2015				2014			
	Cash flows				Cash flows			
Group	Carrying amount	Contractual cash flows	Within 1 year	Next 1-5 years	Carrying amount	Contractual cash flows	Within 1 year	Next 1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities								
Convertible bonds	4,032	(4,200)	–	(4,200)	3,915	(4,200)	–	(4,200)
Other payables	17,776	(17,776)	(17,776)	–	17,683	(17,683)	(17,683)	–
	21,808	(21,976)	(17,776)	(4,200)	21,598	(21,883)	(17,683)	(4,200)
Derivative financial instruments								
Other forward exchange contracts (gross-settled)	33				373			
- Outflow		(2,508)	(2,508)	–		(8,945)	(8,945)	–
- Inflow		2,475	2,475	–		8,572	8,572	–
	33	(33)	(33)	–	373	(373)	(373)	–
	21,841	(22,009)	(17,809)	(4,200)	21,971	(22,256)	(18,056)	(4,200)

18 Financial instruments (continued)

Liquidity risk (continued)

Company	2015				2014			
	Carrying amount	Contractual cash flows	Within 1 year	Next 1-5 years	Carrying amount	Contractual cash flows	Within 1 year	Next 1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities								
Convertible bonds	4,032	(4,200)	–	(4,200)	3,915	(4,200)	–	(4,200)
Other payables	17,439	(17,439)	(17,439)	–	17,322	(17,322)	(17,322)	–
	21,471	(21,639)	(17,439)	(4,200)	21,237	(21,522)	(17,322)	(4,200)
Derivative financial instruments								
Other forward exchange contracts (gross-settled)	33				373			
- Outflow		(2,508)	(2,508)	–		(8,945)	(8,945)	–
- Inflow		2,475	2,475	–		8,572	8,572	–
	33	(33)	(33)	–	373	(373)	(373)	–
	21,504	(21,672)	(17,472)	(4,200)	21,610	(21,895)	(17,695)	(4,200)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is exposed to market risk primarily in changes in foreign exchange rates in relation to its investment portfolio and to a lesser extent, interest rates on the deposits placed with banks and financial institutions.

Currency risk

The Group invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in Hong Kong dollars and United States dollars. Consequently, the Group is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of that portion of the Group's financial assets or financial liabilities that is denominated in currencies other than Singapore dollars.

The Group does not use any derivative financial instruments to hedge these exposures. However, to mitigate the foreign currency exposure arising from the Group's short term assets and liabilities and expected sales proceeds from investments in the short term, the Group may enter into forward currency contracts to hedge against such foreign currency exposures. The Group does not adopt hedge accounting in this respect.

18 Financial instruments (continued)

Currency risk (continued)

As at the reporting date, the Group and the Company had entered into forward exchange contracts with a notional amount of \$14,955,000 (2014: \$8,903,000) and \$2,490,000 (2014: \$8,903,000) respectively, to hedge the Group and the Company's foreign exchange exposure related to investments denominated in United States dollars with definitive certainty of return in the short term.

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

Group	Hong Kong dollars \$'000	United States dollars \$'000
2015		
Cash and bank balance	—	782
Investments		
- Available-for-sale	—	10,721
- At fair value through profit or loss	—	32,474
Other receivables	—	549
Accruals	—	(5,768)
Net statement of financial position exposure	—	38,758
Forward exchange contracts	—	(14,955)
Net exposure	—	23,803
2014		
Cash and bank balance	—	5,254
Investments		
- Available-for-sale	613	21,163
- At fair value through profit or loss	—	13,704
Other receivables	—	2
Accruals	—	(5,542)
Net statement of financial position exposure	613	34,581
Forward exchange contracts	—	(8,903)
Net exposure	613	25,678

18 Financial instruments (continued)

Currency risk (continued)

Company	Hong Kong dollars \$'000	United States dollars \$'000
2015		
Cash and bank balance	—	3
Investments		
- Available-for-sale	—	10,721
- At fair value through profit or loss	—	32,474
Other receivables	—	543
Accruals	—	(5,768)
Net statement of financial position exposure	—	37,973
Forward exchange contracts	—	(2,490)
Net exposure	—	35,483
2014		
Cash and bank balance	—	5,219
Investments		
- Available-for-sale	613	21,163
- At fair value through profit or loss	—	13,704
Other receivables	—	2
Accruals	—	(5,542)
Net statement of financial position exposure	613	34,546
Forward exchange contracts	—	(8,903)
Net exposure	613	25,643

Sensitivity analysis

A 10% strengthening of the Singapore dollars against the following currencies at the reporting date would (decrease)/increase other comprehensive income and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for year 2014.

	2015 Effect on		2014 Effect on	
	Other comprehensive income (Fair value reserve) \$'000	Profit or loss \$'000	Other comprehensive income (Fair value reserve) \$'000	Profit or loss \$'000
Group				
Hong Kong dollars	—	—	(61)	—
United States dollars	(1,072)	(1,308)	(2,116)	(452)
Company				
Hong Kong dollars	—	—	(61)	—
United States dollars	(1,072)	(2,476)	(2,116)	(448)

18 Financial instruments (continued)

Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Other than short-term fixed deposits of \$13,652,000 (2014: \$30,449,000) (Note 4) and loan receivable of \$28,964,000 (2014: \$27,965,000) (Note 6), the Group and the Company have no significant interest-bearing assets. The Group's policy is to maintain significant percentage of its borrowings, if any, in floating rate instruments. As at 31 December 2015, the Group and the Company have no significant interest-bearing liabilities. A 100 basis point increase/(decrease) in the interest rate at the reporting date would have a net effect of increasing/(decreasing) profit or loss by \$426,000 (2014: \$584,000).

This analysis assumes that all other variables remain constant.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital base to support its business and maximise shareholder value. Capital consists of total equity. The Group has determined that it is in a sound capital position given the availability of capital and resources. The Board of Directors monitors the capital requirements to ensure that it is able to support its existing business as well as new investment opportunities that may arise.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Financial assets and liabilities

Accounting classification and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

18 Financial instruments (continued)

Financial assets and liabilities (continued)

Carrying amount						Fair value				
		Loans and receivables \$'000	At fair value through profit or loss \$'000	Available- for-sale \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group										
2015										
Financial assets measured at fair value										
Investments at fair value through profit or loss	7	–	59,855	–	–	59,855	–	–	59,855	59,855
Available-for-sale investments	8	–	–	10,721	–	10,721	–	–	10,721	10,721
		–	59,855	10,721	–	70,576				
Financial assets not measured at fair value										
Cash and cash equivalents	4	18,722	–	–	–	18,722				
Other receivables	5	4,544	–	–	–	4,544				
Loan receivable	6	28,964	–	–	–	28,964				
		52,230	–	–	–	52,230				
Financial liabilities measured at fair value										
Derivatives – Forward exchange contracts	12	–	(33)	–	–	(33)	–	(33)	–	(33)
Financial liabilities not measured at fair value										
Other payables	11	–	–	–	(18,290)	(18,290)				
Convertible bonds	13	–	–	–	(4,032)	(4,032)				
		–	–	–	(22,322)	(22,322)				

18 Financial instruments (continued)

Financial assets and liabilities (continued)

Carrying amount						Fair value				
		Loans and receivables \$'000	At fair value through profit or loss \$'000	Available- for-sale \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group										
2014										
Financial assets measured at fair value										
Investments at fair value through profit or loss	7	–	39,037	–	–	39,037	–	–	39,037	39,037
Available-for-sale investments	8	–	–	21,776	–	21,776	–	–	21,776	21,776
		–	39,037	21,776	–	60,813				
Financial assets not measured at fair value										
Cash and cash equivalents	4	31,774	–	–	–	31,774				
Other receivables	5	460	–	–	–	460				
Loan receivable	6	27,965	–	–	–	27,965				
		60,199	–	–	–	60,199				
Financial liabilities measured at fair value										
Derivatives – Forward exchange contracts	12	–	(373)	–	–	(373)	–	(373)	–	(373)
Financial liabilities not measured at fair value										
Other payables	11	–	–	–	(17,683)	(17,683)				
Convertible bonds	13	–	–	–	(3,915)	(3,915)				
		–	–	–	(21,598)	(21,598)				

18 Financial instruments (continued)

Financial assets and liabilities (continued)

Carrying amount						Fair value				
		Loans and receivables \$'000	At fair value through profit or loss \$'000	Available- for-sale \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company										
2015										
Financial assets measured at fair value										
Investments at fair value through profit or loss	7	–	59,855	–	–	59,855	–	–	59,855	59,855
Available-for-sale investments	8	–	–	10,721	–	10,721	–	–	10,721	10,721
		–	59,855	10,721	–	70,576				
Financial assets not measured at fair value										
Cash and cash equivalents	4	15,010	–	–	–	15,010				
Other receivables	5	4,338	–	–	–	4,338				
Loan receivable	6	28,964	–	–	–	28,964				
		48,312	–	–	–	48,312				
Financial liabilities measured at fair value										
Derivatives – Forward exchange contracts	12	–	(33)	–	–	(33)	–	(33)	–	(33)
Financial liabilities not measured at fair value										
Other payables	11	–	–	–	(17,439)	(17,439)				
Convertible bonds	13	–	–	–	(4,032)	(4,032)				
		–	–	–	(21,471)	(21,471)				

18 Financial instruments (continued)

Financial assets and liabilities (continued)

Carrying amount						Fair value				
		Loans and receivables	At fair value through profit or loss	Available- for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company										
2014										
Financial assets measured at fair value										
Investments at fair value through profit or loss	7	–	39,037	–	–	39,037	–	–	39,037	39,037
Available-for-sale investments	8	–	–	21,776	–	21,776	–	–	21,776	21,776
		–	39,037	21,776	–	60,813				
Financial assets not measured at fair value										
Cash and cash equivalents	4	31,671	–	–	–	31,671				
Other receivables	5	311	–	–	–	311				
Loan receivable	6	27,965	–	–	–	27,965				
		59,947	–	–	–	59,947				
Financial liabilities measured at fair value										
Derivatives – Forward exchange contracts	12	–	(373)	–	–	(373)	–	(373)	–	(373)
Financial liabilities not measured at fair value										
Other payables	11	–	–	–	(17,322)	(17,322)				
Convertible bonds	13	–	–	–	(3,915)	(3,915)				
		–	–	–	(21,237)	(21,237)				

18 Financial instruments (continued)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Sensitivity to changes in significant unobservable inputs
Group and Company			
Available-for-sale investments	Adjusted net asset value	Liquidity discount (2015: 20%; 2014: 20%-85%)	The estimated fair value would increase if the liquidity discount rate was lower.
Derivatives – Forward exchange contracts	The fair values are based on broker quotes.	Not applicable.	Not applicable.

Sensitivity analysis

For the fair values of available-for-sale investments, a 5% increase/(decrease) in the discount rate at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have a net effect of (decreasing)/increasing profit or loss by \$4,694,000 (2014: \$5,391,000).

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

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

18 Financial instruments (continued)

Measurement of fair values (continued)

(ii) Level 3 fair values

The following table shows a reconciliation from the opening balance to the ending balance for Level 3 fair values:

	Group	
	2015	2014
	\$'000	\$'000
At 1 January	60,813	44,421
Investments	25,164	29,641
Repayment of loan	(6,758)	(592)
Total unrealised gains and losses recognised in profit or loss:		
- net change in fair value of investments at fair value through profit or loss	4,559	2,679
- impairment losses	(4,743)	—
Total unrealised gains and losses for the year included in other comprehensive deficit:		
- net change in fair value of available-for-sale investments	(7,846)	(15,336)
Divestment	(613)	—
At 31 December	70,576	60,813

	Company	
	2015	2014
	\$'000	\$'000
At 1 January	60,813	43,829
Investments	25,164	29,641
Repayment of loan	(6,758)	(592)
Total unrealised gains and losses recognised in profit or loss:		
- net change in fair value of investments at fair value through profit or loss	4,559	3,271
- impairment losses	(4,743)	—
Total unrealised gains and losses for the year included in other comprehensive deficit:		
- net change in fair value of available-for-sale investments	(7,846)	(15,336)
Divestment	(613)	—
At 31 December	70,576	60,813

There were no transfers between Level 1, 2 and 3 during the year ended 31 December 2015 and 31 December 2014 for the Group and the Company.

19 Net finance (cost)/income

	Group	
	2015	2014
	\$'000	\$'000
<u>Finance income</u>		
Interest income on fixed deposits	100	111
<u>Finance cost</u>		
Interest expense on financial liabilities measured at amortised cost	(117)	(81)
Net foreign exchange loss	(33)	(2)
	<u>(150)</u>	<u>(83)</u>
Net finance (cost)/income recognised in profit or loss	<u>(50)</u>	<u>28</u>
The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not at fair value through profit or loss:		
- Total interest income on financial assets	100	111
- Total interest expense on financial liabilities	<u>(117)</u>	<u>(81)</u>

20 Income tax

	Group	
	2015	2014
	\$'000	\$'000
Current tax credit		
Current year	(1)	–
Adjustment for prior years	–	–
Tax credit	<u>(1)</u>	<u>–</u>
Reconciliation of effective tax rate		
Profit for the year	9,514	591
Tax credit	<u>(1)</u>	<u>–</u>
Profit before tax	<u>9,513</u>	<u>591</u>
Tax using the Singapore tax rate of 17% (2014: 17%)	1,617	100
Non-deductible expenses	91	124
Tax exempt income	(1,777)	(72)
Recognition of tax effect of previously unrecognised tax losses	(71)	(289)
Current year losses for which no deferred tax asset was recognised	139	170
Others	–	(33)
	<u>(1)</u>	<u>–</u>

Deferred tax asset has not been recognised in respect of tax losses of a subsidiary amounting to \$820,000 (2014: \$998,000) because it is not probable that future taxable profits will be available against which the subsidiary can utilise the benefits.

21 Profit for the year

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

	Group	
	2015	2014
	\$'000	\$'000
(a) Net gain on disposal of investments		
Gain on disposal of available-for-sale investments	2,029	–
(b) Operating expenses include the following:		
Depreciation on property, plant and equipment	43	23
Loss on disposal of property, plant and equipment	1	–
Investment management fees	–	590
Audit fees paid/payable to:		
- Auditor of the Company for statutory audit of the Group	148	148
Non-audit fees paid/payable to:		
- Auditor of the Company and the Group	39	86
Operating lease expense	165	120
Directors' remuneration	428	387
Staff costs, excluding contributions to defined contribution plans	1,544	1,226
Contributions to defined contribution plans	144	106
Consultancy fee	–	42
Legal and professional fees	790	822

22 Basic and diluted earnings per share

(a) Basic earnings per share

For the year ended 31 December 2015, basic earnings per share is calculated by dividing the consolidated net profit attributable to owners of the Company of \$9,514,000 (2014: \$591,000) by the weighted average number of ordinary shares outstanding of 241,685,638 (2014: 237,462,344).

Weighted average number of ordinary shares

	Group	
	2015	2014
	'000	'000
Issued ordinary shares at beginning of the year	241,686	234,314
Effect of shares issued on exercise of bonus warrants	–	2,218
Effect of conversion of convertible bonds	–	930
Weighted average number of ordinary shares at end of year	241,686	237,462

22 Basic and diluted earnings per share (continued)

(b) Diluted earnings per share

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

23 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2015	2014
	\$'000	\$'000
Within one year	163	170
Between one and five years	215	51
	378	221

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

24 Related parties

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the year:

Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation comprised:

	Group	
	2015	2014
	\$'000	\$'000
Directors' remuneration	428	387
Salaries and other short-term employee benefits	380	392
Consultancy fees	—	42

24 Related parties (continued)

Other related party transactions

	Group	
	2015	2014
	\$'000	\$'000
Service fees		
ASM Administration Limited, an associate of Argyle Street Management Limited, a controlling shareholder of the Company	686	329

25 Segment information

The Group has only one private equity segment which is to invest, for capital appreciation in growing private companies located in Asia including, principally, China/Hong Kong SAR, Taiwan, Singapore, Malaysia, Thailand, Indonesia and Japan.

Geographical information

Group	Total investment income		Non-current assets		Current assets	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
China/Hong Kong SAR	5,042	670	6,016	4,787	—	—
Singapore	(3,714)	2,331	41,437	22,196	—	27,965
Taiwan	518	229	3,301	2,560	—	—
Thailand	2,318	453	8,353	7,066	—	—
Japan	6,767	1,679	25,241	18,474	—	—
Indonesia	(164)	—	11,664	—	—	—
Malaysia	257	—	3,125	—	—	—
Others	2,360	(504)	403	5,730	—	—
	13,384	4,858	99,540	60,813	—	27,965

In the above table, others segment include distributions from other funds that are incorporated in British Virgin Islands which hold numerous investments in various countries.

The non-current assets and current assets presented in each country arise from the investment business segment but exclude the assets from the investment management subsidiary. Corresponding revenues represent investment income, which comprise proceeds from disposal of investments (less cost of investments), net change in fair value of financial assets, impairment losses, dividend income and interest income.

Supplementary Information

(SGX-ST Listing Manual disclosure requirements)

Interested person transactions

Transactions with the Group's interested persons (as defined in the listing manual of SGX-ST) are subject to review by the Audit Committee.

The following transactions took place between the Group and interested persons during the year:

Name of interested person	Aggregate value of all interested person transactions during the year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST (excluding transactions less than \$100,000)
For the year ended 31 December 2015		
Argyle Street Management Limited group ("ASML group"), a deemed controlling shareholder of the Company	(1) Strategic Support Services fee of \$686,000.	—
	(2) During the year, the Group and ASML group separately entered into a series of agreements to participate in various investments. The Group's total investment amounted to \$23,281,000.	—
For the year ended 31 December 2014		
Transpac Capital Pte Ltd, the former Investment Manager of the Company	Investment management fees of \$590,000*.	—
Argyle Street Management Limited group ("ASML group"), a deemed controlling shareholder of the Company	(1) Strategic Support Services fee of \$329,000**.	—
	(2) During the year, the Group and ASML group separately entered into a series of agreements to participate in various investments. The Group's total investment amounted to \$18,325,000.	—

* The fees are for services rendered by the former Investment Manager pursuant to the Management Agreement dated 12 March 1994 (as renewed and amended pursuant to the terms thereof) entered into by the Company. The Management Agreement was disclosed in the Company's prospectus dated 12 March 1994.

On 30 December 2013, the Company entered into a Deed of Termination with the former Investment Manager to terminate the Management Agreement in its entirety on Completion Date. On 29 May 2014, the Company announced that all conditions precedent to the Deed of Termination had been fulfilled and accordingly, the Management Agreement was terminated on 29 May 2014 (the "Completion Date"). The investment management fees paid to the former Investment Manager in 2014 of \$590,000 were for the period 1 January 2014 up to the Completion Date.

** On 30 January 2015, the Company entered into a Strategic Support Services Agreement with ASM Administration Limited ("ASMAL") for a fixed fee of US\$500,000 per annum (US\$125,000 per quarter). Under the agreement, ASMAL will provide strategic support services including, amongst others, deal sourcing to the Company. The agreement was effective 1 July 2014. It is on an annual basis and subject to annual review and automatic renewal for successive consecutive one year periods unless terminated by either party in accordance with the agreement.

Corporate Governance Report

The Board and Investment Manager of TIH Limited (the “**Company**” or “**TIH**”) are committed to maintaining a high standard of corporate governance and believe that commitment to good corporate governance is essential to the Company’s business and performance.

The following describes the Company’s corporate governance practices that were in place during the financial year ended 31 December 2015 with specific references to the principles set out in the Code of Corporate Governance 2012¹ (the “**Code**”). The Board of Directors is pleased to confirm that the Company has adhered to the principles and guidelines of the Code as well as the Listing Manual of the SGX-ST, where appropriate and applicable.

Board Matters

Board’s Conduct of Affairs

Principle 1: Effective Board to lead and control the Company

Principle 3: There should be clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company’s business

The Company recognises that in order to achieve a balance of power and authority for independent decision making, there should be a clear division of responsibilities between the working of the Board and the Investment Manager’s responsibility of the Company’s business.

The Chairman of the Board, Mr Kin Chan, is a non-executive Director of the Company. His duties and responsibilities, amongst others, include leading the Board to ensure its effectiveness on all aspects of its role, ensuring that regulations and procedures relating to Board meetings are complied with, promoting a culture of openness and debate at the Board, encouraging constructive relations within the Board and between the Board and the Investment Manager, ensuring effective communication with shareholders and ensuring high standards of corporate governance. The management and operations of the Company had been delegated to TIH Investment Management Pte. Ltd. (“**TIHIM**” or “**Investment Manager**”), wholly owned by the Company. The Investment Manager’s primary role is to identify and evaluate opportunities for investment of the Company’s funds in accordance with the investment policies as provided for in the Company’s Prospectus (as amended and approved by the Board from time to time) and to provide related services in connection with the Company’s investments. Accordingly, the leadership of the Board and the Investment Manager who manages the Company’s business are separate parties with a clear division of responsibilities. There is no immediate family relationship between the Chairman of the Board and the employees of the Investment Manager.

In view that the Chairman is not an independent director, as recommended by the Code, the Board has appointed Mr Liong Tong Kap as the Lead Independent Director on 1 February 2013 to address any shareholders’ concerns that cannot be resolved or is inappropriate through the normal channels of the Board Chairman or the Investment Manager. The Lead Independent Director also acts as a representative in providing the independent Directors’ feedback to the Board Chairman.

The Board’s role is to review and approve business strategies, corporate policies and guidelines, audit plans, financial reporting, declaration of dividends and to monitor the performance of the Company. In addition, the Board oversees the risk assessment and governance and ensure effective controls to safeguard shareholders’ interests and the Company’s assets. Directors’ appointments and remunerations are also decided by the Board as a whole upon the recommendation by the Nominating Committee and Remuneration Committee respectively.

¹ The Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012.

A Board Investment Committee (“**BIC**”) comprising one nominee representing the Investment Manager and two nominees representing the TIH Board, has been set up to assist the Board in assessing all investments and divestments proposed by the Investment Manager. The members of the BIC are Mr Kin Chan and Mr Daniel Budiman, both representing the TIH Board, and Mr Wang Ya Lun Allen representing the Investment Manager. The Investment Manager has also formed a Manager Investment Committee (“**MIC**”) to assess investment and divestment decisions under the TIH Group. The MIC consists of senior investment personnel, one of whom is the CEO of the Investment Manager. On 25 February 2016, Mr Stanley Wang has been appointed a member of the MIC. MIC members comprise of Mr Allen Wang and Mr Stanley Wang. Upon approval by the MIC, investment proposals will be recommended to the BIC for review and oversight. The BIC has the ability to veto any proposal presented by the MIC. In the event (for whatever reason) the MIC is reduced to a single member, the decisions of the sole member of the MIC shall prevail.

Generally, investment/divestment transactions will be duly analysed by TIHIM’s investment professionals and tabled to the MIC for consideration as proposed transactions (“**Proposals**”). The MIC will subject such Proposals to a thorough review process, including discussions with the relevant investment professionals on the basis for their Proposals, prior to taking a vote. The criteria considered by the MIC in making a decision on such Proposals includes, inter alia, the potential growth of the proposed business model, the experience of the management team and the relevant risk-reward profiles. Upon unanimous approval by the MIC, the investment proposals will be recommended to the BIC for review. If the BIC does not veto the investment proposal, the investment will proceed.

In addition, as recommended by the Code, the Board has established four board committees to assist the Board in the execution of its duties. They are the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”), the Remuneration Committee (“**RC**”) and the Risk Governance Committee (“**RGC**”). Each of these committees discharges its duties under its respective terms of reference as approved by the Board and recommends relevant issues to the Board for action. The functions and terms of reference of each committee are set out in the later parts of this Corporate Governance Statement. The Board has engaged BDO LLP to assist in the review of the risk governance matters.

The Company has clear guidelines on matters to be approved by the Board. Below is a list of material transactions which require Board approval:

1. Appointment of directors;
2. Recommendation for appointment/reappointment of external auditors and approval of audit fees;
3. Appointment of internal auditors;
4. Appointment of professional services for corporate action matters including but not limited to capital reduction, bonus issue, rights and warrants issuance;
5. Approval of corporate announcements for matters including but not limited to quarterly financial reporting, circulars, annual report etc;
6. Approval of establishment/termination of bank accounts, banking facilities, loans and credit facilities as well as appointment of signing mandates;
7. Approval of any amendments to the Management Agreement, Strategic Support Services Agreement and investment policies;
8. Approval of related party transactions;
9. Approval of interim dividend payments and recommendation of final dividend payments;

10. Veto rights of investment proposals via the Board Investment Committee.

There are at least four scheduled Board meetings held each year. In addition, ad hoc non-scheduled Board meetings are convened when necessary to deliberate on urgent substantial matters. The dates of all the meetings were scheduled before the beginning of each year in order to achieve full attendance by the Directors where possible. As permitted by the Company's Articles of Association, Directors may participate in a Board meeting by means of a conference telephone, conference television or similar communication equipment on occasions when they are not able to be present in person at the meeting. The Board and Board Committees also relied on circular resolutions and discussions conducted via telephonic conferences and other forms of communication to discharge their duties. There were four (4) Board meetings, four (4) AC meetings, one (1) NC meeting, one (1) RC meeting and one (1) RGC meeting held in the financial year ended 31 December 2015. Attendance of such meetings by the Directors are tabulated below.

2015 Board and Committee Meetings Attendance

(Please refer to page 62 of this Annual Report for the Directors' memberships in the respective committees.)

Name of Director	Number of Board Meetings Attended	Number of Audit Committee Meetings Attended	Number of Nominating Committee Meeting Attended	Number of Remuneration Committee Meeting Attended	Number of Risk Governance Committee Meeting Attended
Kin Chan	4 of 4	4 of 4 (As observer)	1 of 1	1 of 1 (As observer)	1 of 1
Wang Ya Lun Allen* (Attended as Representative of Investment Manager)	3 of 3*	4 of 4 (As observer)	1 of 1 (As observer)	1 of 1 (As observer)	1 of 1
Vince Feng	4 of 4	4 of 4	1 of 1 (As observer)	1 of 1	1 of 1
Liong Tong Kap	4 of 4	4 of 4	1 of 1	1 of 1	1 of 1
Li Yick Yee Angie	2 of 4	2 of 4 (As observer)	1 of 1 (As observer)	1 of 1	1 of 1
Daniel Budiman	4 of 4	4 of 4	1 of 1	1 of 1 (As observer)	1 of 1

* Mr Wang Ya Lun Allen has been appointed as a Director of the Company on 26 February 2015 in place of Mr Cheong Kok Yew (Stanley) who resigned on the same day.

As a standing practice, Board members are invited by the AC Chairman to attend the AC meetings. Most Directors (who are not AC members) do try to attend the AC meetings as observers. Similarly, all Directors are also invited to be observers at the NC and RC meetings, which are held on an annual basis.

To facilitate an effective and efficient discharge of duties and responsibilities, the Directors are provided with extensive information on the Company's activities relating to investments and divestments with regular and timely updates whenever there are any new developments.

To ensure that Directors keep pace with regulatory changes that will have an important bearing on the Company's or directors' disclosure obligations, the Directors are briefed during Board meetings and specially prepared materials on the relevant matters are provided in the Board Book which is distributed to the Directors at least one week before the meeting. In addition, the Company allows each Director to claim professional training fees on a per annum basis as approved by the Board from time to time. During the year, some Directors attended training courses/seminars relating to compliance, regulatory and economic outlook.

Newly appointed Directors are briefed by the Investment Manager on the Company's business activities, policies, regulatory and governance environment as well as statutory and other duties and responsibilities of Directors. Where required, the Company provides appropriate training and briefing programme for new Directors.

Board Composition and Board Membership

Principle 2: There should be a strong and independent element on the Board

The Code recommends that, in the case of TIH where the Chairman is not an independent director, independent Directors should make up at least one-half of the Board.

The Board with the aid of the NC had reviewed the composition of the Board and is satisfied that there is a strong and independent element on the Board which consists of six members, of whom half are independent, two are affiliated with significant shareholders and one is affiliated with the Investment Manager. In 2013, upon clearance by the Board, Mr Daniel Budiman has been appointed on the board of certain companies of the ASM Group, a substantial shareholder of the Company. The Board and in particular, the Nominating Committee members, Messrs Kin Chan and Liong Tong Kap had reviewed the Code in conjunction with Mr Daniel Budiman's appointment as an independent director in the ASM companies and agreed that as Mr Budiman would not receive any substantial meaningful fees for these appointments, they had no objection to Mr Budiman's said appointments and deemed that this would not impair Mr Budiman's independent status in TIH.

The Board had also assessed Mr Vince Feng who has been a director of certain ASM companies since November 2010 and deemed that similarly these appointments had not impaired Mr Feng's independent status in TIH.

Over the past 3 years, none of the Independent Directors has resigned. All the Independent Directors namely Mr Liong Tong Kap, Mr Vince Feng and Mr Daniel Budiman have in-depth knowledge and experience in the Company's investment/fund management industry. Educational background and work experience of these 3 Independent Directors are disclosed on pages 74 to 76 of this Annual Report.

The strong and independent element on the Board allows the Board to take a broader view of the Company's activities and bring independent judgement to bear on issues for the Board's consideration. All members of the Board are non-executive except for Mr Wang Ya Lun Allen who is deemed executive on the TIH Board.

The nature of the Directors' appointments on the Board and details of their membership on Board Committees as at the date of this Annual Report are set out below:

Director	Board Membership [#]	Committee Membership			
		Nominating	Remuneration	Audit	Risk Governance
Kin Chan	Chairman Affiliated with substantial shareholders	Member	–	–	Member
Wang Ya Lun Allen	Represents the Investment Manager	–	–	–	Member
Vince Feng	Independent	–	Chairman	Member	Member
Liong Tong Kap	Independent	Member	Member	Chairman	Member
Li Yick Yee Angie	Affiliated with substantial shareholders	–	Member	–	Member
Daniel Budiman	Independent	Chairman	–	Member	Chairman

[#] All Directors are non-executive except Mr Wang Ya Lun Allen who is deemed executive as he is the chief executive officer of the Investment Manager, a wholly owned subsidiary of the Company and a Director of TIH. Allen does not draw any Director fee or allowance from TIH and is paid an employee's salary from the Investment Manager.

Over the 3 years of assessment, the only Director who resigned is Mr Stanley Cheong. Mr Cheong was formerly a Director appointed to represent Transpac Capital Pte Ltd, the former investment manager of the Company. He resigned on 26 February 2015 to pursue other career opportunities and personal interests. The current investment manager, TIH Investment Management Pte. Ltd., has appointed Mr Allen Wang on the same day as their representative. Mr Wang has more than 10 years of experience in the industry of investment, financing and fund management.

The Code also recommends that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to a particularly rigorous review. As Mr Liong Tong Kap has served on the Board for more than 9 years, the Board had thoroughly reviewed his independence. Mr Liong, the former Chief Investment Officer of NTUC Income Insurance Co-Operative Limited (NTUC Income), first joined the TIH Board in April 2001 as a non-independent Director representing the interests of NTUC Income. In July 2009, NTUC Income informed TIH that Mr Liong can be deemed to become an independent Director of TIH due to his impending cessation of employment with NTUC Income. The Board confirmed Mr Liong's independence in September 2009. The Board had observed that over the tenure, from 2001 until present, Mr Liong has a good track record of board service without any blemish and has met all the definitions of an independent director as defined under the Code. With Mr Liong's length of service, he had accumulated much knowledge of the business of TIH and contributed actively to the Board activities. Therefore after reviewing the aforesaid factors, the Board is of the opinion that Mr Liong's independence is affirmed.

The Board with the aid of the NC had performed the necessary annual reviews and had determined that:

- taking into account the nature and scope of the Company's activities, its Board size is appropriate for effective debate and decision-making;
- the Board has the right mix of expertise, experiences and skills and comprises persons who as a group are representative of the principal shareholders of the Company and provide the competencies required for the Board to be effective and to meet the Company's objectives.

Access to Information/Accountability

Principle 6: Board members to have complete, adequate and timely information

Principle 10: Accountability of Board and Investment Manager

The Investment Manager aims to provide complete, adequate and timely information to the Board prior to meetings and on an on-going basis. The notice and agenda for meetings and board papers including, amongst others, minutes of meetings, quarterly and full year financial statements, budgets, financial plans, audit plans, investments/divestments update, legislative/regulatory/governance changes, Director's interest disclosures, proposals and reports are provided to the Board well in advance of the scheduled meetings to prepare the Directors for the meetings. For any further enquiries, the Board has separate and independent access to the staff as well as senior management of the Investment Manager at all times.

The Board also has separate and independent access to the Company Secretary at all times. Under the direction of the Investment Manager, the Company Secretary, who attends all Board and committees' meetings, ensures good communication between the Company and its Directors as well as to facilitate orientation and professional development as required. The Company Secretary also ensures board procedures are followed and applicable laws and regulations are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects. The Investment Manager provides periodic reports on the Company's performance and prospects to the Board. Additionally, the Investment Manager reports the performance of the investments to the Board each quarter and the performance of the investments is reviewed semi-annually by the external auditors for compliance with investment guidelines and valuation principles. The Board is then provided with the Company's financial results together with the investment valuations by the Investment Manager on changes (if any) on the valuation of the Company's investment portfolios.

Where appropriate, written policies such as the securities trading policy, currency management policy and whistle-blowing policy are established and approved by the Board to ensure compliance with legislative and regulatory requirements.

To facilitate the Directors' discharge of their duties, when independent professional advice is required, it is proposed to the Board with relevant quotations of fees of such advice for the Board's approval. Upon the Board's approval, such expense is borne by the Company.

Board Committees

Nominating Committee (“NC”)

Principle 4: Formal and transparent process for appointment and re-appointment of directors to the Board

Principle 5: Formal assessment of the effectiveness of the Board and contributions of each director

The NC, meets annually, is currently comprised of the following 3 non-executive members, two of whom are independent:

Daniel **Budiman** - Chairman (independent and non-executive)

Liong Tong Kap (independent and non-executive)

Kin **Chan** (non-executive)

The NC had reviewed Board succession plans for directors, in particular, the Board Chairman. The Company does not have a CEO and thus there is no such review. The NC and the Board have the consensus that as the Board Chairman represents the major shareholder, there is no requirement for Board Chairman succession plan. As part of the progressive refreshing of the Board, the Company is constantly sourcing for suitable candidates as independent directors.

The terms of reference of the NC are as follows:

- Recommend the appointment and re-appointment of the Directors;
- Conduct an annual review of the composition of the Board;
- Conduct an annual review of the independence of each independent Director, particularly an independent Director who has served on the Board beyond nine years from his appointment date, and ensure that the Board comprises at least one-half independent Directors as the Board Chairman is non-independent;
- Assess the effectiveness of the Board;
- Report to the Board with regard to these terms of reference; and
- Review the results of the Board’s annual self-assessment and suggest to the Board any recommendations/actions in respect of the self-assessment results.

In accordance with the Articles of Association of the Company, one-third of the Directors retire from office at each Annual General Meeting according to their length of service. In addition, a newly appointed Director must submit himself for re-election at the Annual General Meeting immediately following his appointment.

The Directors who are due for retiring and re-election at the forthcoming Annual General Meeting in accordance with Article 100 of Articles of Association of the Company are Mr Kin Chan (Non-executive Chairman) and Mr Daniel Budiman (Non-executive Independent Director, Chairman of the NC and Member of the AC).

Mr Wang Ya Lun Allen, a Deemed Executive Director and representing the Investment Manager on the Board, appointed during the year, will also be subject to retirement and re-election at the said Annual General Meeting in accordance with Article 104 of the Articles of Association of the Company.

With each retiring Director abstaining from voting his own nomination for re-appointment, the NC has, after considering each retiring Director's contributions and performances (e.g. attendance, preparedness, participation and candour) including, if applicable, the independence as an independent director, recommended that each retiring Director be nominated for re-appointment at the forthcoming Annual General Meeting. The Board, with each of the retiring Directors abstaining from deliberating on their own nominations, has accepted the recommendation and the retiring Directors would be offering themselves for Shareholders' re-election at the forthcoming Annual General Meeting.

The NC had performed the necessary annual review and had determined that taking into consideration the Code's definition of who constitutes an independent director², the Board is satisfied with the independence of the independent Directors, namely Mr Vince Feng, Mr Liong Tong Kap and Mr Daniel Budiman. In particular, the NC had paid particular attention in assessing the independence of Mr Liong Tong Kap who has served on the Board beyond the nine year period as recommended by the Code.

The NC has used its best efforts to ensure that the Board comprises members who represent strategic shareholders as well as independent members who will enhance governance in the interests of all shareholders. The procedure for the selection of new Board members is as follows:

- When a board vacancy arises, Board members source and recommend appropriate personnel to the NC. The curriculum vitae of the potential director is circulated to all Board members;
- NC members arrange for informal meeting(s) with the short-listed candidate(s) and appraise the candidates to ensure that the candidate possess the relevant expertise, experience and skills for the Company;
- If found suitable, Board members discuss with the NC the final choice and the chosen candidate is offered the directorship position.

When a Director has multiple board representations, such a Director is expected to ensure that sufficient time and attention is given to the affairs of the Company. The NC has reviewed with Board members in an open session the effectiveness of the Board and the contribution of each of the Directors. It is generally satisfied that the Board and each of its members have adequately discharged his/her respective duties. As determined by the Board on the NC's recommendation, independent Directors who are not full time executives may hold up to a maximum of 6 listed company board representations. The Board is satisfied that currently, the number of listed company board representations held by each Board member does not exceed the number set by the Board. Other than Mr Kin Chan who has been appointed non-executive director in 1 other listed company and Mr Allen Wang who has been appointed a non-executive director in 1 other listed company and an alternate director in another listed company, all Directors do not have additional directorship in other listed companies.

As recommended by the Code, when alternate directors are proposed to be appointed, the NC and the Board shall generally avoid approving such appointment unless the director has a medical emergency or any other reasons that the NC and the Board shall determine as valid. Prior to recommending such appointment to the Board for approval, the NC shall appraise the proposed alternate director to assess his familiarity with the company affairs and whether he qualify as an independent director if he is to be appointed as an alternate director to an independent director. Such appointment is only for a limited period and the alternate director bear all the duties and responsibilities of a director.

² The Code defines an independent director as one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company. A related corporation, in relation to a company, shall have the same meaning as currently defined in the Companies Act, i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.

The year of initial appointment and last re-election/scheduled re-election of Directors are set out below.

Director	Age [#]	Position	Date of Initial Appointment	No. of Years as Director	Appointment Period under Current Chairman (At 31 Dec 2015)	Date of Last/ Scheduled Re-election
Kin Chan	49	Chairman	1 October 2004 ⁺	11 years	10 years	29 April 2015
Wang Ya Lun Allen	39	Member	26 February 2015	< 1 year	< 1 year	29 April 2015
Vince Feng	43	Member	1 March 2008	7 years	7 years	23 April 2014
Liong Tong Kap	61	Member	12 April 2001 [^]	14 years	10 years	24 April 2013 (Next: 27 Apr 2016)
Li Yick Yee Angie	42	Member	11 August 2006	9 years	9 years	23 April 2014 (Next: 27 Apr 2016)*
Daniel Budiman	48	Member	5 November 2012	3 years	3 years	29 April 2015

As at date of this Annual Report

+ Appointed Chairman of Board on 1 May 2005

^ Deemed as an independent Director from 1 September 2009

* Between Mr Vince Feng and Ms Angie Li, both of whom were last re-elected on the same date, the Board has determined that Ms Angie Li will retire for re-election at the next AGM as her tenure as Director is longer than Mr Vince Feng.

Key information regarding Directors are disclosed on pages 74 to 76 of this Annual Report.

Remuneration Committee (“RC”)

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

Principle 8: Remuneration of directors should be adequate but not excessive

Principle 9: Remuneration policy, level and mix of remuneration and procedure for setting remuneration

The RC, meets annually, is currently comprised of the following 3 non-executive members, two of whom are independent:

Vince **Feng** – Chairman (independent and non-executive)

Liong Tong Kap (independent and non-executive)

Li Yick Yee Angie (non-executive)

The RC terms of reference are to review and recommend to the Board the framework for remuneration of the Directors taking into consideration industry practices, level of contribution/responsibility of the Directors and corporate performance. Save and except for Directors’ fees which are paid in arrears after approval by shareholders at the Annual General Meeting, no other forms of remuneration are paid to the Directors. As the Company has no direct staff and is managed by the Investment Manager via a Management Agreement, the RC reviews only the fees of the Board Members. In line with the greater responsibilities of the Directors, the following proposed schedule of Directors’ fees is recommended for approval by the Shareholders at the forthcoming Annual General Meeting. The last 2 increases were approved by Shareholders in April 2010 and April 2013. There is no change to the schedule of Directors’ fees proposed for the year ended 31 December 2015 since April 2013.

Proposed Fees

Basic fee for all Directors	S\$38,000
Allowance for Chairman of the Board	S\$33,000
Allowance for Chairman of the Audit Committee	S\$27,000
Allowance for Audit Committee Members	S\$16,000
Allowance for Chairman of the Nominating Committee	S\$10,000
Allowance for Nominating Committee Members	S\$5,000
Allowance for Chairman of the Remuneration Committee	S\$8,000
Allowance for Remuneration Committee Members	S\$4,000
Allowance for Board Investment Committee Members	S\$50,000
Fee for Lead Independent Director	S\$10,000

No additional fee is payable for meeting attendance. The management and operation of the Company are vested in the Investment Manager. During the year, the Company does not have executive directors nor executive officers except for Messrs Stanley Cheong/Allen Wang being Deemed Executive Director(s) who do not receive any fee from the Company.

The remuneration of each of the Directors for the financial year ended 31 December 2015, which is subject to approval at the forthcoming annual general meeting, falls below S\$150,000 per director and is solely derived from Directors' fees. A breakdown of the Directors' Fees to be paid to each Director for FY2015 upon approval by the Shareholders at the forthcoming Annual General Meeting is as follows:

Director	Basic Fee (Inc Board Chair)	AC Chair/ Member	NC Chair/ Member	RC Chair/ Member	Board Investment Member	Lead Independent Director	Total Directors' Fees
Kin Chan	\$71,000	–	\$5,000	–	\$50,000	–	\$126,000
Allen Wang	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Vince Feng	\$38,000	\$16,000	–	\$8,000	–	–	\$62,000
Liong Tong Kap	\$38,000	\$27,000	\$5,000	\$4,000	–	\$10,000	\$84,000
Angie Li	\$38,000	–	–	\$4,000	–	–	\$42,000
Daniel Budiman	\$38,000	\$16,000	\$10,000	–	S\$50,000	–	\$114,000

There are no employees of the Company or its subsidiaries who are immediate family members of the Directors and there are also no employees of the Company or its subsidiaries who are related to any Substantial Shareholder for the financial year ended 31 December 2015.

The management of the Company is vested in the Investment Manager, TIH Investment Management Pte. Ltd. ("TIHIM"), a wholly owned subsidiary of TIH. The Company does not have any employees, thus there is no long term incentive schemes such as an employee share option scheme. All staff are engaged by TIHIM. As at 31 December 2015, TIHIM has 13 employees in its employment.

For FY 2015, none of the remuneration paid to the employees of TIHIM is above \$400,000. Other than payment in lieu of notice in the event of termination, no other termination, retirement and post employment benefits were included in the employment contracts of TIHIM employees.

As the Company has no employee, the Board is of the view that disclosure of remuneration information of the senior management personnel of TIHIM is not in the best interests of TIH due to the sensitivity and confidential nature of such information in a competitive talent market. TIH has decided that to ensure retention of the key management team of TIHIM, this information is not disclosed.

Audit Committee (“AC”)

Principal 12: Establishment of Audit Committee with written terms of reference

The AC is currently comprised of the following 3 members, all of whom are independent and non-executive:

Liong Tong Kap - Chairman (independent and non-executive)

Vince Feng (independent and non-executive)

Daniel Budiman (independent and non-executive)

None of the AC members had been a former partner or director of KPMG LLP (“**KPMG**”), the Company’s external auditors. All members of the AC are appropriately qualified to discharge their responsibilities. Key information of the AC members’ academic and professional qualifications and experiences is set out on pages 74 to 76 of the Annual Report.

The AC performs the following main functions with these terms of reference:

- Review the audit plans and scope of work of the external auditors. Note that the AC has directed that the external auditors review that the operations of the Company are in accordance with the guidelines as set out in the Prospectus and any related amendments and that the remuneration of the Investment Manager is calculated according to the Management Agreement and any related amendments;
- Review and recommend the full-year, half-year and quarterly announcements and the financial statements of the Company and Group as well as the auditors’ report thereon before submission to the Board for approval;
- Review the findings, if any, of the external auditors and the response of the Investment Manager;
- Review the nature and extent of non-audit services provided by the external auditors;
- Nominate the external auditors for appointment or re-appointment and reviews the level of audit fees, cost effectiveness of the audit and the independence and objectivity of the external auditors;
- Investigate any matter reported to the AC regarding improprieties in matters of financial reporting or other matters within its terms of reference;
- Review with the Investment Manager and their auditors the internal controls in respect of the Investment Manager and the Company;
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Review interested person transactions in accordance with the requirements of the listing rules of the Singapore Exchange Securities Trading Limited; and
- Review and resolve any potential conflicts of interest between the Investment Manager and the Company.

The AC held four meetings in 2015. It has full discretion to (i) invite any Director and any staff member of the Investment Manager to attend its meetings; (ii) require any such Director and any staff member of the Investment Manager in attendance to leave the meetings to facilitate open discussion on any matter that may arise and (iii) investigate any matter within its terms of reference with full access to and co-operation by the Investment Manager. Matters discussed at the AC meetings include quarterly and annual financial results and announcements, audit plans and reports as well as the Investment Manager's response to the audit findings. Relevant matters were then reported or recommended to the Board for action or approval.

During the year, the AC met with KPMG to discuss the audit plan for TIH group which includes the audit process, scope, focus and materiality of the audit. In addition, key changes to reporting standards and regulatory requirements which are applicable to the Company are also reported to the AC so that AC members are updated with these changes. The AC also met with the Internal Auditors, an independent audit firm engaged to review the effectiveness of the internal controls of the Company.

The AC has reviewed and confirmed that the aggregate amount of fees paid/payable to KPMG, the external auditors, for the financial year ended 31 December 2015 is S\$243,200, comprising S\$192,000 audit fees and S\$51,200 non-audit fees.

The AC having reviewed all non-audit services provided by KPMG, is satisfied that the nature and extent of such services would not affect the independence and objectivity of KPMG, and is pleased to recommend their re-appointment. The Auditor does not receive non-audit fees more than 25% of audit fees. The AC also noted that Mr Barry Lee Chin Siang, a partner in KPMG who is in charge of the audit of TIH's group of companies, has been appointed for 4 financial years since 2012.

The AC has directed KPMG to review that the operations of the Company are in accordance with the guidelines as set out in the Prospectus and any related amendments.

The AC also reviews the Interested Person Transactions (as defined in the listing manual of SGX-ST) within the group.

The Company has adopted a whistle-blowing policy which has been endorsed by the AC. The whistle-blowing policy is for staff of the Investment Manager acting in good faith and confidence to raise observations and any concerns which they have on any corporate improprieties to the Audit or Remuneration Committee Chairs.

The AC recognizes the increased responsibilities as laid out in the Code and has taken steps to ensure that these responsibilities are duly carried out.

All Board members are encouraged to keep abreast of current legislation and Directors can attend relevant and suitable courses as part of their director training.

Risk Management, Internal Controls and Internal Audit

Principle 11: Sound system of risk management and internal controls

Principle 13: Setting up independent internal audit function

Risk Management – In November 2012, the TIH board decided that the entire board as a whole should handle the Risk Governance matters and policies and that a Risk Governance meeting should be held at least once a year. The Board also decided that there is no necessity to have a separate Risk Officer appointed as the management of TIH is handled by the Investment Manager. The Investment Manager is to report on risk matters and propose a schedule on such reporting to include all risk governance, monitoring, policies and implementation.

The Board held its Risk Governance Committee (“RGC”) meeting on 4 November 2015 which was chaired by Mr Daniel Budiman, the Chairman of the RGC. BDO LLP was appointed to assist the Board in reviewing and updating the risk register based on an Enterprise Risk Management (“ERM”) workshop conducted for the Company during the year. This register is meant to be an ongoing record of the major risks affecting the Company. This register should be updated whenever the ERM exercise is extended to additional clusters.

The ERM defines the risk management policies and procedures that TIH needs to be complied with. It provides a systematic and continuous approach to identifying and prioritizing risks that can affect the organisation and also the corresponding countermeasures to the risks, where available and ultimately, reporting the assessment of risks and countermeasures in place to the highest authority in the organisation to enable monitoring and relevant decisions to be undertaken.

Terms of References of the Board Risk Committee are:

- To determine and review the Company’s overall risk tolerance and strategy;
- To determine and review the current risk exposures and future risk strategy of the Company;
- In relation to risk assessment:
 - (a) keep under review the Company’s overall risk assessment processes;
 - (b) review regularly and approve the parameters used in these measures and the methodology adopted; and
 - (c) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;
- Company’s capability to identify and manage new risk types;
- The proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;
- Any material breaches of risk limits and the adequacy of proposed action;
- Keep under review the effectiveness of the Company’s internal controls and risk management systems and review and approve the statements to be included in the annual report concerning the effectiveness of the Company’s internal control and risk management systems;
- Review the Company’s procedures for detecting fraud, including the whistleblowing policy. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- Monitor the independence of risk management functions throughout the organization;
- Review promptly all relevant risk reports on the Company; and
- Review and monitor the Investment Management’s responsiveness to the findings.

The operations of the Company have been delegated and assigned to the Investment Manager which is expected to exercise discipline in discharging its fiduciary responsibilities. The Investment Manager has adopted the Internal Control and Compliance Manual (“ICCM”) that are well documented and regularly updated. Every Director and staff of the Investment Manager is required to adhere to the ICCM as a condition of his/her employment. The ICCM includes, among other things, financial control, management of funds, management of information systems, procedures for investments and divestments, management of portfolio companies and compliance with financial, administration and legal controls.

In addition, the Investment Manager operates under a set of guidelines stipulated in the TIH Prospectus and any changes to these guidelines are subject to the approval of the Board. Compliance with these guidelines are verified quarterly by the Company’s external auditors.

The Company has outsourced its internal audit function to an independent auditing firm, BDO LLP. The internal audits are performed in line with their firm’s Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing recommended by the Institute of Internal Auditors. The Internal Audit was conducted with the objectives of highlighting missing controls of the current processes, ascertain that processes were conducted in accordance with established policies and procedures and to identify areas of improvement where controls can be strengthened. Internal control weaknesses noted during the audit and the respective auditors’ recommendations are reported to the AC and follow-ups and implementations are handled by the Investment Manager where applicable.

The Board had received assurance from the Chief Executive Officer and Chief Financial Officer of the Investment Manager that (i) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company’s operations and financial position; and (ii) the risk management and internal control systems have been put in place.

Based on the internal controls established and maintained by the Investment Manager, and the works performed by the Internal and External Auditors during the financial year, the Board with the concurrence of the Audit Committee, is satisfied that the system of internal controls is adequate in addressing the financial, operational and compliance risks of the Group as it provides:

- Reasonable assurance against material financial misstatements;
- Maintenance of proper accounting records;
- Compliance with appropriate legislations, regulations and best practices; and
- Identification and containment of business risks.

The Board notes, however, that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Financial Risk Management

Operation Risk

The investments made by the Group (including investments held by the Company, Little Rock Group Limited and Killian Court Pte. Ltd., both special purpose investment vehicles which are wholly owned by the Company) are primarily in private companies, which are generally illiquid in nature. In addition to general business risks in any investment, such investments can be adversely affected by political instability as well as exchange controls, changes in taxation laws, foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities of the countries in which investments are made.

Currency Risk

The Company makes long-term investments and treats foreign exchange risks as part of the overall risks to be considered in its investments decisions. The Company does not use any derivative financial instruments to hedge these exposures. However, to cover other currency exposures denominated in non-functional currency arising from the Company's short-term assets and liabilities and expected sales proceeds from investments with definitive certainty, the Company may enter into forward currency contracts to hedge against these foreign currency exposures.

Credit Risk

Credit Risk is the Group's exposure to potential losses if the counterparty fails to fulfil its contractual obligations. The Group's credit risk exposure arises mainly from its loan extended to a portfolio company in conjunction with the Group's investment in the portfolio company. The loan is regularly reviewed in line with the Group's valuation and monitoring process.

Liquidity Risk

The Company maintains sufficient cash to meet its operating needs.

Shareholders Communication

Principle 14: Fair and Equitable Treatment to all Shareholders. Recognition, Protection and Facilitation of Shareholders' Rights

Principle 15: Regular, Effective and Fair Communication with Shareholders

Principle 16: Greater Shareholder Participation at General Meetings

In addition to complying with the requirements to make announcements under the SGX-ST Listing Manual, the Company adopts the practice of providing Shareholders regularly with information on major developments in its business through SGXNET announcements. The announcements of the results and material developments are released in a timely and non-discriminatory manner to ensure fair disclosure of information. The Board reports to shareholders, amongst other things, a clear assessment of the Company's performance and financial position on a quarterly basis.

The Company ensures that all shareholders receive a copy of the Company's Annual Report, circular(s), notice(s) and agenda of general meetings at least 14 days before the meetings. Notices and agendas of general meetings are also advertised in a major local newspaper and announced on SGXNET for greater awareness. Press Releases are issued as and when the Company wish to draw shareholders' attention to certain developments. The Board is aware that there should be separate resolutions at general meetings on each substantially separate issue and avoids "bundling" resolutions without valid reasons.

To encourage Shareholders' participation, general meetings are usually held at convenient central locations where public transport is easily accessible. For shareholders who are not able to attend the meetings in person, the Constitution of the Company allows shareholders to appoint up to 2 proxies to attend and vote at general meetings on their behalf. In line with the Companies (Amendment) Act 2014, with effect from the Company's Annual General Meeting to be held on 27 April 2016, where a member of the Company is a relevant intermediary as defined in Section 181 of the Companies Act, the member is entitled to appoint more than two proxies to attend and vote at general meetings. The Company always include a question and answer session at all general meetings to allow questions, feedback and participation from its shareholders at such meetings. With the exception of Mr Vince Feng, the Chairman of the RC who is based at the United States, the Chairman of the Board and the Chairmen of the AC and NC as well as external auditors are usually available to address questions

at the general meetings. To ensure fair treatment to shareholders who are not present at the meeting, the Board are specifically reminded not to divulge any information that has not been publicly announced. For Shareholders to participate effectively and vote at general meetings of shareholders, whenever poll-voting is called for, the Company will ensure that the scrutineers explain the poll voting procedures to the shareholders/proxies/corporate representatives present at the meeting before the poll voting commence.

The Investment Manager has retained the services of an Investor Relations Company which assists the Investor Relations function of the Company.

The Company's corporate website was launched in October 2014 to provide timely updates on the Company's news and developments. The website address is <http://www.tih.com.sg>. The website contains an online enquiry form where shareholders/investors can direct their queries to.

The Company prepares minutes of general meetings that include substantial and relevant comments and queries from shareholders relating to the agenda of the meeting, and responses from the Board and the Investment Manager and such minutes are available to shareholders upon request.

The Company shall as far as possible put all resolutions to vote by poll and make announcements of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

Securities Transactions

The Company has in place policies on (i) dealings in securities of the Company and its subsidiaries; and (ii) dealings in securities of other listed entities in which the Company has investments ("**Portfolio Companies**"). These policies set out the requirements under the Securities and Futures Act, Singapore Companies Act and the Listing Manual.

The policy on dealings in securities of the Company and its subsidiaries applies to Directors and officers of the Company and Directors and employees of its subsidiaries. There is also a policy on dealings in securities of Portfolio Companies, which applies to Directors and officers of the Company.

Similar policies have been adopted by the Investment Manager in respect of the trading of securities of the Company and its Portfolio Companies by the Directors and officers of the Investment Manager.

Under the policies, any trade conducted by the respective personnel should be reported to the Company Secretary within 2 trading days of the trade being undertaken. In line with the policies, the Company issues regular circulars informing the respective personnel that they cannot deal in securities of the Company/Portfolio Companies a) during the period commencing two weeks before the announcement of the Company's/Portfolio Companies' financial statements for each of the first three quarters of the respective company's financial year and one month before the announcement of the respective Company's full year financial statements and ending after the date of announcement of the relevant financial statements and b) if they are in possession of price sensitive information. Additionally, the respective personnel cannot deal in the Company's listed securities on short-term considerations.

Interested Person Transactions

Transactions with the Company's interested persons (as the term is defined in the Listing Manual) are subject to review and approval by the AC and are delineated in "Supplementary Information: Interested Person Transactions" on page 57 of the Annual Report.

Some of the Board members own shares in the Company or are affiliated with companies that own shares in the Company. Details are disclosed in the Directors' Report that is included in the Annual Report.

With effect from 1 July 2014, the Company has appointed ASM Administration Limited, affiliated to the ASM Group, substantial shareholder of the Company, to provide the services of sourcing of potential investment opportunities for the Company at a fee of US\$500,000 per annum. This support arrangement formalizes the strategic alliance between the Company and ASM Group and allows the Company to tap into the sourcing network of ASM Group for potential investment opportunities. The Audit Committee and the Board, having reviewed the terms of the support arrangement and a benchmarking study performed by an independent consulting firm (for the fees and services provided), are of the view that the support arrangement is entered into on an arm's length basis on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

During the financial year ended 31 December 2015, no employee of the Investment Manager drew any director's fees or received any remuneration from any of the Company's portfolio of investment companies.

Key Information on Board Members

Mr Kin Chan

Chairman, Non-Executive Non Independent Director

Mr Kin Chan, our Chairman, has been on the Board since 1 October 2004 and assumed chairmanship of the Company on 1 May 2005. He has also been a member of the Nominating Committee of the Company since 3 August 2011.

Mr Chan is a director of ASM Asia Recovery (Master) Fund ("ASM"), a deemed substantial shareholder of TIH. ASM is approximately 90% owned by ASM Asia Recovery Fund and managed by Argyle Street Management Limited. Mr Chan is also a non-executive director of OUE Limited which is listed on the SGX-ST.

He was a non-executive director of BTS Group Holdings Public Company Limited (listed in Thailand) for the period from 29 July 2010 to 15 October 2012, a non-executive director of Grand Ocean Retail Group Limited (listed in Taiwan) for the period from 24 April 2011 to 30 July 2012, a non-executive director of Japan Residential Assets Manager Limited, the Manager of the SGX-ST listed Saizen REIT, for the period from 1 September 2010 to 11 October 2013, a non-executive director of United Fiber System Limited (now known as Golden Energy and Resources Limited, listed on SGX-ST) for the period from 27 May 2011 to 20 April 2015 and a non-executive director of Asia Resource Minerals plc (formerly listed in London) for the period from 1 July 2015 to 24 August 2015. He was formerly with Lazard Asia Limited and Goldman, Sachs & Co.

Mr Chan holds a Master of Business Administration (MBA) degree from the Wharton School of the University of Pennsylvania and Artium Baccalaureus (AB) degree from the Woodrow Wilson School of Public and International Affairs of Princeton University.

Mr Wang Ya Lun Allen

Deemed Executive Director

Chief Executive Officer of the Investment Manager

Mr Wang has been the Chief Executive Officer of TIH Investment Management Pte. Ltd. since June 2014. Prior to that, Mr Wang held management positions in Argyle Street Management Limited and Credit Asia Capital for seven years, and was responsible for deal origination, structuring and the execution of special situations investments in Southeast Asia and China covering a variety of industries. Mr Wang began his career in Analyst and Associate positions with The Transportation Group, Seabury Group and D. B. Zwirn Asia Partners.

He has also been appointed as an alternate director of CEI Contract Manufacturing Limited, which is listed on SGX-ST, since 17 April 2015 and a non-executive director of Tengri Resources, listed on AIM, London, UK, since 11 December 2015.

Mr Wang received his bachelor's degree in Accounting from the British Columbia Institute of Technology in Canada, and holds a Master of Arts in Statistics from the Columbia University in New York. Mr Wang is also a CFA charterholder.

Mr Vince Feng
Non-Executive Independent Director

Mr Feng has been Chairman of the Remuneration Committee of the Company since 1 February 2013. He was appointed as an independent, non-executive Director on the Board on 1 March 2008 and served as a member of the Audit Committee of the Company since.

Mr Feng has been working in the financial services industry since 1994. He previously served as a managing director of General Atlantic LLC, a US\$17 billion global growth private equity firm focused on technology enabled sectors. In 2000, he established the Hong Kong office of General Atlantic, leading the firm's investments in Greater China over the course of his tenure as managing director, including Lenovo's acquisition of IBM's PC division. Prior to that, Mr Feng was a financial analyst with Goldman Sachs (Asia) LLC in Hong Kong.

Mr Feng has a Master of Business Administration (MBA) degree from Stanford University and a Bachelor of Arts (BA) degree (Honors) from Harvard University.

Mr Liong Tong Kap
Lead Independent Director, Non-Executive Independent Director

Mr Liong was appointed as the Lead Independent Director and the Chairman of the Audit Committee of the Company with effect from 1 February 2013. He has also been a member of the Nominating Committee and Remuneration Committee of the Company since 1 October 2003.

Mr Liong was formerly the Chief Investment Officer with NTUC Income Insurance Cooperative Ltd ("NTUC Income"). He was head of NTUC Income's investment management unit for close to 18 years from 1992 to mid 2009. Prior to that, he was head of NTUC Income's actuarial department for one and a half years. Before joining NTUC Income, he spent over ten years in Monetary Authority of Singapore and oversaw actuarial matters and life insurance.

Mr Liong holds a Bachelor of Science (BSc) degree in Actuarial Science and a Master of Science (MSc) in Applied Finance.

Ms Li Yick Yee Angie
Non-Executive Non Independent Director

Ms Li is a director of Argyle Street Management Limited ("Argyle"). She was appointed as a member of the Remuneration Committee of the Company since 3 August 2011. Previously, she was a non-executive director of Japan Residential Assets Manager Limited, the Manager of the SGX-ST listed Saizen REIT, from 1 September 2010 to 11 October 2013 and a non-executive director of United Fiber System Limited (listed on the SGX-ST) from 6 July 2011 to 21 February 2014. Prior to joining Argyle, Ms Li worked with Lazard & Co in San Francisco and Hong Kong.

Ms Li holds Bachelor of Arts (BA) and Bachelor of Science (BS) degrees from the University of California at Berkeley and a Master of Arts (MA) degree in Economics from the Graduate School of Arts and Sciences (GSAS) of Columbia University.

Mr Daniel Budiman
Non-Executive Independent Director

Mr Budiman was appointed as the Chairman of the Nominating Committee of the Company with effect from 1 February 2013. He has also been a member of the Audit Committee of the Company since 5 November 2012.

Mr Budiman is a founding partner/owner of Mahanusa Capital, an investment company based in Jakarta. Mahanusa Capital owns and operates companies in the agribusiness, consumer goods, consumer finance, specialty chemicals and property sectors in Indonesia and China. Previously, Mr Budiman was an M&A banker for Merrill Lynch and JP Morgan in Singapore, responsible for managing and executing M&A transactions in Southeast Asia. Before that, he was in brand management at Procter & Gamble, based in the U.S. and Indonesia.

Mr Budiman also currently serves as board member of PT Cabot Indonesia (a subsidiary of the world's largest producer of carbon black), PT Yupi Indo Jelly (one of Indonesia's largest confectionery companies), PT Pacific Place Jakarta (owner and operator of one of Jakarta's most prominent mixed-use property developments) and Huzhou Fengrun Properties Ltd (a property company based in China).

Mr Budiman holds a Master of Business Administration (MBA) from Harvard University and a BBA from the University of Iowa. He is also a director for Asia for the Harvard Alumni Association and a board member of the Young Presidents Organization in Southeast Asia.

Sustainability Report

The Board of Directors of TIH Limited, being responsible for the strategic direction of the Company, is aware of the importance in the integration of environmental, social and governance considerations in the Company's strategic planning.

TIH Limited (TIH)'s principle activity is to invest, for capital appreciation, in securities of growing private companies located in Asia. The Company is committed to providing superior return to its investors while striving to partake in investments that will enhance the wellbeing of the global community.

The Company's policy is to invest into companies that have similar corporate social responsibility practices and avoid investments that can lead to harmful impact on the environment.

As TIH's corporate social responsibility practices evolve with the growth of the Company's operational and investment activities, the Company encourages staff of its Investment Manager to be an integral part of this process.

The Board has formed a Risk Governance Committee comprising the entire Board as a whole to oversee and manage the Group's overall risk including risk arising from legal, compliance, environmental, social concerns, bribery and corruption. Please refer to the Corporate Governance Statement, pages 69 to 71 of the Annual Report, for in depth details on the Company's practice on risk management, internal control and internal audit.

Shareholding / Warrantholding Statistics

STATISTICS OF SHAREHOLDINGS AS AT 10 MARCH 2016

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	51	0.74	1,184	0.00
100 - 1,000	197	2.87	138,930	0.06
1,001 - 10,000	5,110	74.49	17,400,881	7.20
10,001 - 1,000,000	1,494	21.78	53,471,750	22.12
1,000,001 AND ABOVE	8	0.12	170,672,893	70.62
TOTAL	6,860	100.00	241,685,638	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	123,955,772	51.29
2	TRANSPAC INVESTMENTS LIMITED	24,576,126	10.17
3	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	6,279,419	2.60
4	DBS NOMINEES (PRIVATE) LIMITED	5,990,993	2.48
5	RAFFLES NOMINEES (PTE) LIMITED	4,749,971	1.97
6	CITIBANK NOMINEES SINGAPORE PTE LTD	2,071,399	0.86
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,748,351	0.72
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,300,862	0.54
9	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	774,393	0.32
10	SCS TRUST PTE LTD	737,000	0.30
11	LIM KIM PHANG	720,000	0.30
12	PHILLIP SECURITIES PTE LTD	714,491	0.30
13	LOW POH SENG	700,000	0.29
14	PRIMA INVESTMENT HOLDINGS (SINGAPORE) PTE LTD	546,666	0.23
15	NG GUAT LIAN	500,000	0.21
16	TEO KIN KHIN	400,000	0.17
17	SZE SEE YEE OR ANG SEOK MOEY	340,000	0.14
18	TAN MEE YIA @ TAN MIEN ANN	320,000	0.13
19	NEW SEH CHONG	302,000	0.12
20	CHONG YI JUAN STEPHANIE	300,000	0.12
	TOTAL	177,027,443	73.26

SUBSTANTIAL SHAREHOLDERS AS AT 10 MARCH 2016

(as shown in the Company's Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares Held			
	Direct Interest	Percentage (%) of Shareholding ¹	Deemed Interest	Percentage (%) of Shareholding ¹
ASM Ventures Limited ²	—	—	48,802,048	20.19
ASM Asia Recovery (Master) Fund ³	—	—	111,559,541	46.16
ASM Asia Recovery Fund ⁴	—	—	111,559,541	46.16
ASM Hudson River Fund ⁵	—	—	65,768,281	27.21
Argyle Street Management Limited ⁶	—	—	129,011,216	53.38
Argyle Street Management Holdings Limited ⁶	—	—	129,011,216	53.38
Kin Chan ⁷	—	—	129,011,216	53.38
V-Nee Yeh ⁷	—	—	129,011,216	53.38
Li Yick Yee Angie ⁷	—	—	129,011,216	53.38
Transpac Investments Limited	24,576,126	10.17	—	—
Bastion Associates Limited ⁸	—	—	24,576,126	10.17
Techno-Ventures Hong Kong Limited ⁹	—	—	24,576,126	10.17
Leong Ka Cheong Christopher ¹⁰	2	Not Meaningful	25,547,993	10.57

Notes:

- Percentage computed is based on 241,685,638 shares in issue as at 10 March 2016. As at 31 December 2015, the number of shares in issue was also 241,685,638.
- ASM Ventures Limited (“**ASMVL**”) has 48,802,048 TIH shares registered in the name of its nominee, HSBC (Singapore) Nominees Pte Ltd (“**HSBC**”).
- ASM Asia Recovery (Master) Fund (“**ASMARMF**”) has 62,757,493 TIH shares registered in the name of its nominee, HSBC and Morgan Stanley Asia Securities (Singapore) Pte. Limited. ASMARMF is also deemed interested in the 48,802,048 TIH shares owned by ASMVL as it is the beneficial holder of more than 20% of the issued share capital in ASMVL.
- ASM Asia Recovery Fund (“**ASMARF**”) is deemed interested in the 111,559,541 TIH shares owned by ASMARMF as it is the beneficial holder of more than 50% of the issued share capital in ASMARMF.
- ASM Hudson River Fund (“**ASMHRF**”) has 16,966,233 TIH shares registered in the name of its nominee, HSBC. ASMHRF is also deemed interested in the 48,802,048 TIH shares owned by ASMVL as it is the beneficial holder of more than 20% of the issued share capital in ASMVL.
- Argyle Street Management Limited (“**ASML**”) manages ASMARMF, ASMHRF and ASMARF and is the beneficial holder of more than 20% of the voting shares in ASMHRF and ASMARF, hence ASML is deemed interested in the 128,525,774 TIH shares collectively owned by ASMHRF and ASMARF. ASML also has 485,442 TIH shares registered in the name of its nominee, Phillip Securities Pte Limited. Argyle Street Management Holdings Limited is deemed interested in the 129,011,216 TIH shares owned by ASML as it is the beneficial holder of more than 50% of the voting shares in ASML.
- Messrs Kin Chan, V-Nee Yeh and Angie Li are deemed substantial shareholders through bodies corporate in which they each have controlling interests.
- Bastion Associates Limited (“**Bastion**”) is deemed interested in the 24,576,126 TIH shares held by Transpac Investments Limited (“**TIL**”) as it owns 71% of TIL.
- Techno-Ventures Hong Kong Limited (“**TVHK**”) is deemed interested in the 24,576,126 TIH shares held by TIL as it owns 29% of TIL.
- 2 TIH shares are registered directly in the name of Dr Leong Ka Cheong Christopher (“**Dr Leong**”). Dr Leong also has 971,867 TIH shares registered in the name of his nominee namely DBS Vickers Securities (S) Pte Ltd. In addition, Dr Leong is deemed interested in the 24,576,126 TIH shares held by TIL as he owns 58.83% of Bastion and is deemed to hold 100% of TVHK; both companies in turn own 71% and 29% of TIL respectively.

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Base on the information available to the Company as at 10 March 2016, approximately 36.05% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

DIRECTORS' SHAREHOLDINGS AS AT 21 JANUARY 2016

(as shown in the Company's Register of Directors' Shareholdings)

Name of Director	Description of Shares	No. of Shares Registered in Name of Director or Nominee	Shareholdings in which Director is deemed to have an interest
Kin Chan	Ordinary Shares	—	129,011,216
Li Yick Yee Angie	Ordinary Shares	—	129,011,216

Notes:

- 1 Mr Kin Chan and Ms Angie Li are deemed interested through bodies corporate in which they each have controlling interests.

STATISTICS OF WARRANTHOLDINGS AS AT 10 MARCH 2016

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	31	0.52	971	0.00
100 - 1,000	176	2.94	151,426	0.02
1,001 - 10,000	3,154	52.64	15,505,889	2.22
10,001 - 1,000,000	2,572	42.93	173,519,112	24.88
1,000,001 AND ABOVE	58	0.97	508,253,441	72.88
TOTAL	5,991	100.00	697,430,839	100.00

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	128,696,908	18.45
2	PHILLIP SECURITIES PTE LTD	104,584,002	15.00
3	TRANSPAC INVESTMENTS LIMITED	81,690,678	11.71
4	LIM KOK YONG	20,573,000	2.95
5	RAFFLES NOMINEES (PTE) LIMITED	13,470,640	1.93
6	KOH CHEOH LIANG VINCENT	11,500,000	1.65
7	DBS NOMINEES (PRIVATE) LIMITED	9,315,789	1.34
8	LEE MEE ING	7,000,000	1.00
9	CITIBANK NOMINEES SINGAPORE PTE LTD	6,195,999	0.89
10	KEE KEY TECK	6,158,000	0.88
11	KWOK KWONG KUI	5,757,000	0.83
12	KHOO HWEE SAN	5,688,100	0.82
13	CHAN SOI SAN	5,099,998	0.73
14	TOK BOON SEONG	5,002,000	0.72
15	KONG WENG LOONG	4,939,900	0.71
16	KUEK TONG AU	4,919,000	0.71
17	CHEW CHOY SENG	4,500,000	0.65
18	CHOO MUI KHENG JENNY	4,407,000	0.63
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	4,387,515	0.63
20	TAN CHEW LAI OR TAN YEAN NEE (CHEN YANNI)	4,086,000	0.59
	TOTAL	437,971,529	62.82

Notice of Twenty-Second Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of TIH Limited (the “**Company**”) will be held at Concorde 2, 3rd Level Concorde Hotel Singapore, 100 Orchard Road, Singapore 238840 on the 27th day of April 2016 at 10.00 a.m. for the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Accounts for the financial year ended 31 December 2015, together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors, who are retiring by rotation pursuant to Article 100 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - (i) Mr Liong Tong Kap **(Resolution 2)**
 - (ii) Ms Li Yick Yee Angie **(Resolution 3)**
3. To approve the sum of S\$428,000 as Directors’ fees for the financial year ended 31 December 2015. **(Resolution 4)**
4. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

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

5. Authority to allot and issue Shares under the TIH Limited Scrip Dividend Scheme **(Resolution 6)**

“That, pursuant to Section 161 of the Companies Act, Cap. 50 (“**Companies Act**”), authority be and is hereby given to the Directors of the Company (“**Directors**”) to allot and issue from time to time such number of shares (“**Shares**”) in the capital of the Company as may be required to be allotted and issued pursuant to the TIH Limited Scrip Dividend Scheme.”

[See Explanatory Notes]
6. Authority to allot and issue Shares **(Resolution 7)**

“That, pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors to:

 - (a) (i) issue Shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

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

-
- (b) (notwithstanding 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 while this Resolution was in force,

provided that :

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued Shares excluding treasury shares (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 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued Shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares excluding treasury shares that may be issued under sub-paragraph (1) above, the total number of issued Shares excluding treasury shares shall be based on the total number of issued Shares excluding treasury shares at the time this Resolution is passed after adjusting for:
 - (i) 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 this Resolution is passed; and
 - (ii) 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 Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution 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 the earlier.”

[See Explanatory Notes]

7. To transact any other business that may be transacted at an annual general meeting.

BY ORDER OF THE BOARD

Tham Shook Han
Company Secretary
5 April 2016

Explanatory Notes:

- (Resolution 2) Mr Liong Tong Kap, will upon re-election as a Director of the Company, remain as an independent and non-executive Director of the Company and he will also continue to be the Lead Independent Director, the Chairman of the Audit Committee as well as a member of the Remuneration Committee and Nominating Committee.

Key information on Mr Liong can be found on page 75 of the Annual Report 2015. Mr Liong does not have (i) any relationships including family relationships with any of the Directors of the Company, the Company or its 10% shareholders; and (ii) any directorships in other listed companies.

- (Resolution 3) Mr Li Yick Yee Angie, will upon re-election as a Director of the Company, remain as a non-executive Director of the Company and she will also continue to be a member of the Remuneration Committee.

Key information on Ms Li can be found on page 75 of the Annual Report 2015. Ms Li is a director of ASM Asia Recovery (Master) Fund (“ASM”), a deemed substantial shareholder of TIH. ASM is (approximately) 90% owned by ASM Asia Recovery Fund and managed by Argyle Street Management Limited.

- (Resolution 6) The TIH Limited Scrip Dividend Scheme (“**Scrip Dividend Scheme**”) was approved by shareholders of the Company (“**Shareholders**”) at the extraordinary general meeting of the Company held on 26 April 2007. The proposed Resolution 6, if passed, will empower the Directors to allot and issue shares in the Company pursuant to the Scrip Dividend Scheme to eligible Shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

- (Resolution 7) The Ordinary Resolution 7, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities that the Directors may allot and issue under this resolution would not exceed fifty per centum (50%) of the issued shares in the Company at the time of the passing of this resolution. For issue of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty per centum (20%) of the issued shares in the Company at the time of the passing of this resolution.

For the purpose of this resolution, the percentage of issued shares is based on the Company’s issued shares at the time this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities at the time when this proposed Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes:

1. (a) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. Where such member's instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
- (b) Where a member of the Company is a relevant intermediary as defined in Section 181 of the Companies Act, the member is entitled to appoint more than two proxies to exercise all or any of his rights to attend and to speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). The appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.

A proxy need not be a member of the Company.

2. The instrument of proxy shall be under the hand of the Member, or by its attorney duly authorized in writing, or if the Member is a corporation, under seal or under the hand of its attorney duly authorized in writing. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the Member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), shall be attached to the instrument of proxy.
3. A body corporate which is a member may also appoint by resolution of its directors or other governing body, such person as it thinks fit to act as its authorized representative in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.
4. The instrument appointing a proxy or proxies, (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 137 Telok Ayer Street #03-07 Singapore 068602 **not less than 48 hours** before the time appointed for holding the meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over 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 or its service providers), 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 or its service providers) 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.

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TIH LIMITED

(Incorporated in the Republic of Singapore)
(Unique Entity Number: 199400941K)

IMPORTANT

1. For investors who have used their CPF money to buy shares in the capital of TIH Limited, this Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 April 2016.

PROXY FORM

*I/We _____ NRIC/Passport/Unique Entity No. _____ of

(Address)

being a member/members of **TIH Limited** (the “Company”) hereby appoint(s):

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

as *my/our proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the Twenty-Second Annual General Meeting of the Company to be held at Concorde 2, 3rd Level Concorde Hotel Singapore, 100 Orchard Road, Singapore 238840 on the 27th day of April 2016 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Twenty-Second Annual General Meeting. In the absence of specific directions, the *proxy/proxies will vote or abstain as *he/she/they may in his/her/their discretion think(s) fit, on any matter arising at the Twenty-Second Annual General Meeting.)

No.	Resolutions	For	Against
1.	To receive and adopt the Directors’ Report and the Audited Accounts for the financial year ended 31 December 2015, together with the Auditors’ Report thereon.		
2.	To re-elect Mr Liong Tong Kap as Director under Article 100.		
3.	To re-elect Ms Li Yick Yee Angie as Director under Article 100.		
4.	To approve Directors’ fees of S\$428,000.		
5.	To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	To authorise Directors to allot and issue Shares under the TIH Limited Scrip Dividend Scheme.		
7.	To authorise Directors to allot and issue Shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Dated this _____ day of _____ 2016.

Total Number of Shares Held

Signature(s) of member(s)/Common Seal
of Corporate Shareholder

* Delete Accordingly



Notes :-

IMPORTANT

1. (a) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. Where such member's instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
- (b) Where a member of the Company is a relevant intermediary as defined in Section 181 of the Companies Act, the member is entitled to appoint more than two proxies to exercise all or any of his rights to attend and to speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). The appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
2. A proxy need not be a member of the Company.

The instrument of proxy shall be under the hand of the Member, or by its attorney duly authorized in writing, or if the Member is a corporation, under seal or under the hand of its attorney duly authorized in writing. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the Member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy.
3. A body corporate which is a member may also appoint by resolution of its directors or other governing body, such person as it thinks fit to act as its authorised representative in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.
4. This instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a certified copy thereof, must be deposited at the registered office of the Company at 137 Telok Ayer Street, #03-07, Singapore 068602, not less than 48 hours before the time fixed for holding the Annual General Meeting.
5. Please insert the total number of shares held by you. If you have shares entered against your name on the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.
6. The Company shall be entitled to reject this instrument of proxy 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 this instrument of proxy. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for the holding of the Annual General Meeting as certified by CDP to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over 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 or its service providers), 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 or its service providers) 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.

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