

Issuer: TIH Limited
Security: TIH Limited

Meeting details:

Date: 26 April 2017

Time: 10:00H

Venue: Concorde 2, 3rd Level Concorde Hotel Singapore, 100 Orchard Road, Singapore 238840

Company Description

TIH Limited, an investment holding company, invests in companies with capital appreciation. It invests in the securities of private companies principally located in China/Hong Kong SAR, Singapore, Australia, Taiwan, Thailand, Japan, Indonesia, Malaysia, and internationally. The company was formerly known as Transpac Industrial Holdings Limited and changed its name to TIH Limited in April 2014. TIH Limited was founded in 1994 and is based in Singapore. TIH Limited is a subsidiary of Argyle Street Management Limited.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=T55)

Q1. As noted in the Chairman’s Statement (page 2 of the annual), TIH’s strategic initiatives include “expanding investment coverage to include special situation investment opportunities with listed and private companies and leveraging our corporate finance expertise to acquire and manage non-core assets from and with strategic partners”.

The group’s total assets stand at \$143 million and the group’s capital consists of equity only (page 50 – Capital management).

- a) **Has the relatively small capital limited the group’s investment options?**
- b) **Can shareholders understand if the group has the mandate to use leverage as part of the investment strategy at the company level?**
- c) **What is the investment timeframe for the group’s investments?**

The Chairman had also said that TIH will keep “a watchful eye on the burgeoning technology and start-ups sector”.

- d) **Does the fund also have the mandate to invest in early stage companies, such as start-ups?**
- e) **If so, in which industries/sectors would the investment manager have the experience, knowledge and the competitive advantage for the group to invest in?**

It would appear that the 697,430,839 outstanding warrants as at 31 December 2016, being out of the money, will not be exercised in the second exercise period which will end on 19 May 2017. The proceeds from the exercise of the warrants could have been as much as \$1.6 billion. That would give the group a sizeable war chest to make its investments.

- f) **How else does the group intend to raise funds given that the warrants will likely not be exercised?**

Q2. The company’s net asset value (NAV) increased by 20% to \$120.5 million. The increase was partly attributed to net fair value gains in investments at fair value of the group’s investment portfolios and successful exits. The group’s investments are recorded as (i) available-for-sale investments, (ii) investments at fair value through profit or loss or (iii) loans and receivables. The group reported a profit for the year of \$12.93 million but generated \$4.38 million in net cash from operating activities due to unrealised fair value gains of the group’s investments.

- a) **Can management help shareholders understand, preferably in layman’s terms, how it classifies its investments as available-for-sale investments or investments at fair value through profit or loss?**

Q3. The company’s Investment Manager, TIH Investment Management Pte. Ltd. (TIH IM), has secured the Capital Markets Services Licence from the Monetary Authority of Singapore in July 2016 which will allow it to manage or deploy third-party assets in return for fees income.

- a) **Can management elaborate further on the progress made by TIH IM?**
- b) **Are there definitive plans to launch and manage private equity funds that TIH IM would then manage?**