



TLV

TLV HOLDINGS LIMITED

# MULTI-FACETED RESILIENCE

ANNUAL REPORT 2020

# CONTENTS

- 01** Corporate Profile
- 02** Letter to Shareholders
- 05** Financial Highlights
- 06** Financial Review
- 08** Board of Directors
- 10** Executive Officers
- 11** Corporate Information



*This annual report has been reviewed by the Company's Sponsor. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinion made or reports contained in this document.*

*The contact person for the Sponsor is Mr. Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*

# CORPORATE PROFILE

With a well-established track record of over 20 years, TLV Holdings Limited (the "TLV Holdings" or the "Company" and together with its subsidiaries, the "Group") is an established jeweller that designs, manufactures and sells jewellery in both the local and international markets on a retail and wholesale basis.

In Singapore, the Group has a retail network of 19 outlets strategically located at various heartland districts, central and suburban malls. Its brands include Taka Jewellery, an established household brand that sells quality jewellery at competitive prices, and Top Cash, which is in the pawnbroking business and trading and retailing of used gold and pre-owned jewellery.

The Group sells to the international market through active participation in jewellery exhibitions since 2003. Its jewellery are sold to wholesale customers in the America, Europe, Asia, Africa and Australia. The Group participates regularly in international exhibitions.

## OUR BUSINESS

### JEWELLERY

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

#### Retail

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

Taka Jewellery has 15 retail outlets located at various heartland districts and suburban malls throughout Singapore.

#### Exhibitions

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

### PAWNBROKING

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

The Group has four pawnshops in Singapore, located in Yishun, Serangoon and Geylang.



# LETTERS TO SHAREHOLDERS

## Dear Shareholders

### FINANCIAL PERFORMANCE

Following a change in TLV Holdings' financial year end from March to June, we are pleased to present our report card for the 15-month financial period from 1 April 2019 to 30 June 2020 ("FP2020").

Overall, the Group managed to register healthy organic growth in the first nine months of the financial period, before the adverse effects brought on by the COVID-19 outbreak since the start of 2020.

Singapore's 'Circuit Breaker' measures which started in April 2020, led to temporary closure of our retail outlets island-wide. The pandemic had significantly impacted wholesale and exhibition business due to travel restrictions imposed. As a result, the Group reported a net loss of S\$0.4 million for FP2020 compared to a net profit of S\$3.5 million in the 12-month financial year from 1 April 2018 to 31 March 2019 ("FY2019").

The Group's revenue for FP2020 dipped 4% to S\$114.1 million from S\$119.0 million in FY2019, largely due to lower contributions from its retail and wholesale and exhibition business segments. Due to different product sales mix during the period, gross profit edged up 1% to S\$29.8 million, while gross profit margin increased to 26.1% from 24.8% in FY2019.

As at 30 June 2020, the Group maintained a healthy cash position of S\$13.7 million, up from S\$11.5 million as at 31 March 2019. Net asset value per share remained stable at 18.28 Singapore cents.

### BUSINESS REVIEW

#### Exhibition Business

Revenue from the wholesale and exhibition business fell 15% to S\$49.0 million in FP2020 from S\$57.7 million in FY2019 due to reduced participation and attendance in international exhibitions.

Over the past years, the Group participated regularly in exhibitions to sell its jewellery, on a wholesale basis, to the international market including the America, Europe, Asia, Africa and Australia. This year has however, been an exception due to ongoing global unprecedented social and economic impacts brought on by the COVID-19 pandemic.

Affected trade events which the Group would have otherwise taken part in during FP2020 include the Hong Kong International Jewellery Show and Baselworld 2020 – both among the biggest jewellery shows in the world. Nonetheless, the Group promptly adopted electronic means such as e-commerce, social media and other digital platforms to reach out our wholesale customers after the reopening of business in respective countries.

#### Retail Business

Our retail business, which sells jewellery to the domestic market under Taka and Top Cash brands, remained the major contributor to the Group's revenue, accounting for 54% in FP2020. Retail revenue for FP2020 increased 4% to S\$62.0 million from S\$59.6 million in FY2019 due to an additional three months in the 15-month period being compared. On a year-on-year 12-month comparison, retail sales declined 2% amid a challenging retail environment in Singapore, largely attributable to the lower footfall in retail outlets as a result of the government's 'Circuit Breaker' measures starting in April, which mandated the closure of all retail businesses, including all 15 of our Taka Jewellery outlets for more than two months.

As Singapore moved into phase 2 of reopening starting from around mid-June, we have also reopened our Taka and Top Cash retail outlets with strict safe distancing measures in place to protect the health and safety of our staff, customers and all visitors to our outlets. While shopper traffic gradually recovers in tandem with Singapore's progressive reopening of economic activities, the Group has stepped up our sales and marketing efforts to attract more customers to our stores.

During the financial period, the Group set up to further expand its retail presence in Singapore with the opening of two retail outlets strategically located in high shopper traffic areas – Junction 8 and Bugis Junction.

In February the Group disposed of its 49% shareholding interest in Shimao Jewellery, its joint venture with China's Maoming Liutao Zhubao Chuangyi Chanye Co. Ltd, as part of its strategy to avoid further capital commitment and minimise losses. To maintain the Group's financial resilience in these trying times, management has suspended most non-essential operations and capital expenditures, save for IT equipment and facilities which are required for telecommuting and sales.

As part of its efforts to maintain close relations with its customer base in both the local and international jewellery market, the Group has stepped up its various digital initiatives to provide access to its sales channels beyond the brick-and-mortar stores. Under the Taka and Top Cash brands, we have been organising and streaming exclusive live broadcasts on social media and e-commerce platforms.

#### Financial Services Business

The Group's performance in the financial services business segment, comprising pawnbroking and money lending businesses, has improved during this period. Revenue rose 72% to S\$3.1 million in FP2020 from S\$1.8 million in FY2019, due to higher interest income earned for both the pawnbroking and money lending business.

## OUTLOOK

Worldwide travel restrictions, stay-at-home orders and government-mandated temporary closures of non-essential businesses due to COVID-19 continue to severely impact economies and industries around the world, with retail being the hardest hit sectors alongside hospitality and aviation. With no publicly available vaccine in sight and ongoing global uncertainties exacerbated by the prolonged pandemic situation, the International Monetary Fund ("IMF") in June 2020 cut its global growth estimate for 2020 to -4.9%<sup>1</sup>, 1.9 percentage points below the April 2020 World Economic Outlook forecast of -3.0%.

Following a 13.2% year-on-year contraction of the Singapore economy in the second quarter of 2020, the Ministry of Trade and Industry ("MTI") has narrowed Singapore's GDP growth forecast for the year to -7.0% to -5.0% from -7.0% to -4.0%<sup>2</sup>, while signalling significant uncertainty on how the COVID-19 situation will evolve in the coming quarters.

Considering the volatile global economic environment and expectations of conservative consumer spending amid the prolonged pandemic, the Group is adopting a cautious view of the prospects for the financial year ending 30 June 2021 ("FY2021"). While we have yet to witness any major disruptions to the global jewellery supply chain, on the demand side, we expect revenue contribution from the exhibition and retail sales segments to be impacted in FY2021.

The Group remains committed to reinforcing its business with diligent cost control measures and improving operational efficiencies, while tapping on its e-commerce and social media marketing initiatives to ensure business sustainability. Steps such as human resource planning, deferring all discretionary expenses and non-critical expenditures have been undertaken to conserve cash flows.

---

<sup>1</sup> June 2020, International Monetary Fund – World Economic Outlook Update

<sup>2</sup> August 2020, Ministry of Trade and Industry (Press Release) – MTI Narrows 2020 GDP Growth Forecast to "-7.0 to 0.0 Per Cent"

## APPRECIATION

We would like to extend our utmost appreciation to our fellow directors, the management team, and our staff for their unwavering dedication and heartfelt contributions during such trying times. To our business partners, customers, and shareholders, thank you for keeping your faith in us. We are ever grateful for your continued support and look forward to emerging stronger from this unprecedented pandemic.

### Goh Yeow Tin

Non-Executive Chairman and Independent Director

### Teo Boon Leng

Managing Director

## VISION

To be a premier jeweller offering a diverse, yet discerning selection of exquisitely-crafted jewellery pieces available to all. We endeavour to further expand our geographical reach and brand equity across local and international markets alike; empowering individuals and their communities with value-rich products at fair, competitive prices.



## VALUES

From precious metals and stones to jewels, all of our products are designed, manufactured and quality-accessed according to rigorous industry standards to ensure utmost customer satisfaction. Beyond advocating affordable luxury across Singapore and internationally, we aim to:

### **Leave no consumer out**

No matter the budget or preference, our ultimate goal is to ensure there is 'something for everyone' with our ever-growing portfolio of products and service offerings, allowing our customers to receive the best value for their dollar.

### **Create a lasting legacy**

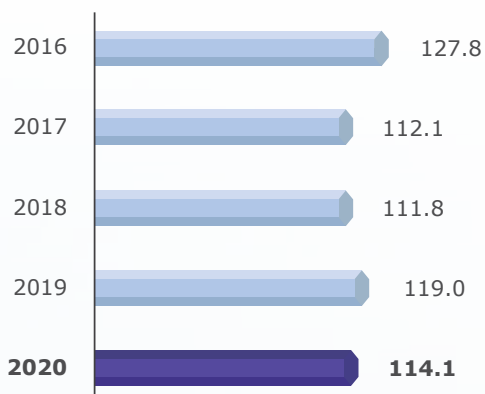
Our active participation in jewellery exhibitions across the world has garnered widespread recognition of our Taka Jewellery and Voi brands, along with their respective signature jewellery collections. We seek to take this success to the next level with an emphasis on product quality and brand excellence, coupled with service from the heart.

### **Provide an inexhaustible wealth of options**

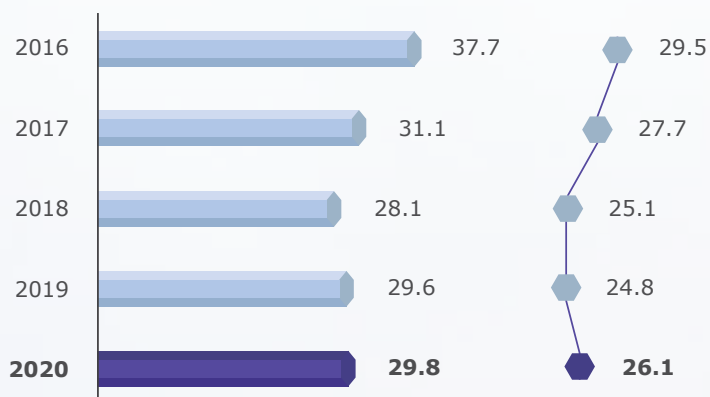
Providing a vibrant mix of classic, contemporary and fashion-forward styles are key to staying relevant in today's competitive and ever evolving retail landscape. A broad variety of high-quality jewellery has always been, and will continue to be, the main focus of our product offerings across all of our brands and businesses.



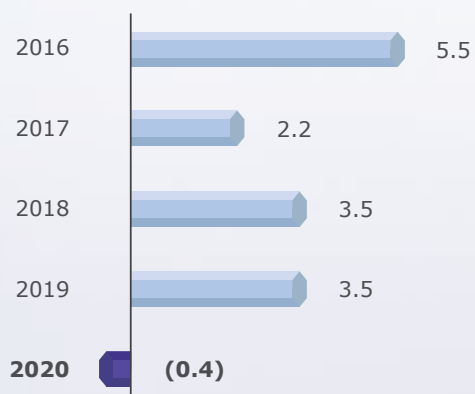
## REVENUE (S\$'million)



## GROSS PROFIT (S\$ million) GROSS PROFIT MARGIN (%)



## NET PROFIT / (LOSS) (S\$'million)



Note: On 13 February 2020, TLV Holdings announced a change of financial year end from 31 March to 30 June. The financial statements for 2020 covered a 15-month financial period from 1 April 2019 to 30 June 2020 versus a 12-month financial year for 2016 to 2019.

# FINANCIAL REVIEW

## FINANCIAL PERFORMANCE

Income Statement	Group	
	FP2020* S\$'000	FY2019 S\$'000
<b>Revenue</b>	114,121	119,036
Cost of sales	(84,286)	(89,479)
<b>Gross Profit</b>	29,835	29,557
Other operating income	2,215	225
Distribution costs	(20,918)	(18,717)
Administrative expenses	(6,411)	(5,395)
Other operating expenses	(3,556)	(1,484)
Share of profit of associates	134	231
Finance cost	(1,885)	(584)
<b>(Loss) / Profit before tax</b>	(586)	3,833
Income tax credit / (expense)	193	(367)
<b>(Loss) / Profit after tax</b>	(393)	3,466

\* On 13 February 2020, TLV Holdings announced a change of financial year end from 31 March to 30 June. The financial statements for 2020 covered a 15-month financial period from 1 April 2019 to 30 June 2020 ("FP2020") versus a 12-month financial year from 1 April 2018 to 31 March 2019 ("FY2019").

### Revenue

For FP2020, the Group registered revenue of S\$114.1 million, a 4% dip from S\$119.0 million in FY2019, largely due to lower revenue from the retail, wholesale and exhibition business segments.

The reduced participation and attendance in international exhibitions in FP2020 led to a 15% slide in revenue for the Group's wholesale and exhibition business to S\$49.0 million compared S\$57.7 million in FY2019.

Revenue from the retail business increased 4% to S\$62.0 million in FP2020 from S\$59.6 million in FY2019 due to the additional three months period in FP2020. On a 12-month comparison period, retail sales declined 2% year-on-year as the retail environment in Singapore remained challenging with lower footfall in retail outlets due to Singapore's circuit breaker measures.

In FP2020, revenue for financial services business segment grew 72% to S\$3.1 million from S\$1.8 million in FY2019 as a result of higher interest income earned from the pawnbroking and money lending business.

Overall, the Group's organic growth for the first nine months was positive, however, the widespread COVID-19 pandemic has impacted its fourth quarter performance.

Especially with all the social distancing measures in place to curb the spread of the pandemic – the suspension of retail operations in Singapore during the circuit breaker period and temporary closure of production facilities in China for several months, along with the halting of all international travels, resulted in lower sales and consequently, impacting the Group's profitability.

### Gross Profit

In FP2020, gross profit edged up 1% to S\$29.8 million, while gross profit margin increased to 26.1% from 24.8% in FY2019 due to different product sales mix.

### Expenses

As a result of higher staff costs and rental expenses incurred in the longer period of 15 months in FP2020, distribution costs increased 12% to S\$20.9 million, while administrative expenses rose 19% to S\$6.4 million.

Other operating expenses increased to S\$3.6 million in FP2020 from S\$1.5 million in FY2019 due to higher allowance for impairment of trade receivables and exchange losses incurred during the period. Taking a more cautious approach in assessing the credit risks and providing for the necessary impairments as part of the COVID-19 assessment of significant exposures, the Group's net allowance for impairment of trade receivables more than doubled to S\$2.9 million in FP2020.

### Net Profit

The Group reported a net loss of S\$0.4 million for FP2020 compared to a net profit of S\$3.5 million in FY2019.



## BALANCE SHEET

As at 30 June 2020, the Group reported a net asset position of S\$102.3 million compared to S\$103.6 million as at 31 March 2019.

Non-current assets increased 44% to S\$27.8 million as at 30 June 2020 from S\$19.3 million as at 31 March 2019, mainly due to the recognition of right-of-use assets of S\$8.6 million following the adoption of SFRS(I) 16 Leases. Majority of right-of-use assets comprised outlet leases.

Current assets increased to S\$158.0 million as at 30 June 2020 compared to S\$154.3 million as at 31 March 2019. This was largely attributable to an increase in inventories of S\$4.4 million due to higher level of stock holdings prior to the COVID-19 outbreak; and an increase in cash and bank balances of S\$2.2 million due to higher amount of fixed deposits pledged with the banks for its loan facilities and the additional amount kept as reserves for working capital purposes. The increase was partially offset by the reduction in trade and other receivables of S\$2.9 million.

Current liabilities increased 9% to S\$65.2 million as at 30 June 2020 from S\$59.6 million as at 31 March 2019. This was largely due to the net increase in short term bank borrowings and bullion loans of S\$6.0 million arising from the higher business activities in financial services segment and expansion of retail business with the opening of a number of new outlets in FP2020; the recognition of lease liabilities of S\$4.4 million arising from the adoption of SFRS(I) 16 Leases; and partially offset by the reduction in trade and other payables of S\$4.3 million in tandem to the decrease in purchases in FP2020.

The recognition of lease liabilities of S\$3.8 million arising from the adoption of SFRS(I) 16 Leases and increase in bank borrowings due to the S\$5.0 million loan drawn down from the Temporary Bridging Loan Programme (announced by the government in response to the COVID-19 outbreak at the Solidarity Budget 2020) for working capital purposes, led to a 76% increase in non-current liabilities to S\$18.3 million as at 30 June 2020 from S\$10.4 million as at 31 March 2019.

As at 30 June 2020, the Group maintained a positive working capital of S\$92.8 million compared to S\$94.7 million as at 31 March 2019.

## CASH FLOW

Statement of Cash Flows	Group	
	FP2020 S\$'000	FY2019 S\$'000
Net cash generated from/ (used in) operating activities	2,385	(13,440)
Net cash (used in) investing activities	(1,533)	(7,342)
Net cash generated from financing activities	365	19,721
Cash and cash equivalents at end of financial year	11,157	10,029

The Group generated net cash of S\$2.4 million from operating activities in FP2020 compared to net cash used of S\$14.4 million in FY2019. This was due to operating cash flow before working capital changes of S\$13.6 million, adjusted for working capital outflow of S\$8.8 million, interest paid of S\$1.9 million and net income tax paid of S\$0.6 million.

The net working capital outflow of S\$8.8 million was mainly due to (a) a decrease in trade and other payables of S\$3.2 million; (b) an increase in trade and other receivables and prepayment of S\$1.3 million; and (c) an increase in inventories of S\$4.3 million.

Net cash used in investing activities of S\$1.5 million was due to capital expenditure for expansion of new retail outlets during the financial period.

Net cash generated from financing activities amounted to S\$0.4 million due to the utilisation of bank credit facilities, offset by repayment of bank borrowings and bullion loans of S\$6.6 million in FP2020 and the payment of lease liabilities of S\$4.7 million, FY2019 dividends of S\$1.2 million and an increase in bills payable of S\$0.7 million.

The Group's cash and cash equivalents increased to S\$11.2 million as at 30 June 2020 from S\$10.0 million as at 31 March 2019.

# BOARD OF DIRECTORS

## **GOH YEOW TIN**

Non-Executive Chairman  
and Independent Director  
Re-appointed on 28 July 2017

---

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

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

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

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

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

## **TEO BOON LENG**

Managing Director  
Re-appointed on 27 July 2018

---

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

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

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

**ANG KAH LEONG**

Executive Director  
Re-appointed on 26 July 2019

---

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

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

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

**LU KING SENG**

Independent Director  
Re-appointed on 26 July 2019

---

Mr Lu King Seng, Independent Director of TLV Holdings, was appointed to the Board on 21 August 2015. He has more than 24 years of commercial and audit experience in London, Singapore and Malaysia with Deloitte & Touche, Ernst & Young, Arthur Andersen, PriceWaterhouse and KPMG where led audit engagements in various companies, assisting companies with, inter alia, initial public offerings and due diligence reviews in connection with proposed mergers and acquisitions.

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

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

**CHUA KERN**

Independent Director  
Re-appointed on 27 July 2018

---

Mr Chua Kern, Independent Director of TLV Holdings, was appointed to the Board on 21 August 2015. He has more than 20 years of experience in the legal industry, specialising in the areas of corporate finance, securities and capital markets and mergers and acquisitions. He is currently a director of Chancery Law Corporation, having co-founded the firm in 2005.

Mr Chua advises companies listed on the Mainboard and Catalist of the SGX-ST in respect of their corporate finance activities and other major corporate actions. Mr Chua had worked in Messrs Colin Ng & Partners LLP, Messrs KhattarWong LLP and Messrs Peter Chua & Partners. He is also an Independent Director of Memiontec Holdings Ltd.

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

## EXECUTIVE OFFICERS

---

### IRENE NG

General Manager (Exhibitions)

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

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

---

### JULIA TAN

General Manager (Local)

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

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

---

### TAN YEE MING

Group Financial Controller

Ms Tan Yee Ming joined the Group in 2018 and is currently its Group Financial Controller. She oversees the financial and accounting management and reporting functions of the Group. Ms Tan has over 10 years of experience in audit, financial and accounting management, having served four years as an auditor with Deloitte & Touche, five years with a SGX-listed manufacturing group and subsequently with a Norwegian group of shipping companies.

Ms Tan graduated with a Bachelor of Accountancy from Nanyang Technological University. She is also a non-practising member of the Institute of Singapore Chartered Accountants since 2003.



**REGISTERED OFFICE**

3 Kaki Bukit Place  
Eunos Techpark  
Singapore 416181  
Tel: (65) 6746 8777  
Fax: (65) 6746 8323  
Email: enquiry@tlvholdings.com.sg

**COMPANY REGISTRATION NUMBER**

201526542C

**BOARD OF DIRECTORS**

Goh Yeow Tin  
Non-Executive Chairman and Independent  
Director

Teo Boon Leng  
Managing Director

Ang Kah Leong  
Executive Director

Lu King Seng  
Independent Director

Chua Kern  
Independent Director

**NOMINATING COMMITTEE**

Chua Kern (Chairman)  
Goh Yeow Tin  
Lu King Seng

**REMUNERATION COMMITTEE**

Goh Yeow Tin (Chairman)  
Lu King Seng  
Chua Kern

**AUDIT COMMITTEE**

Lu King Seng (Chairman)  
Goh Yeow Tin  
Chua Kern

**COMPANY SECRETARY**

Wong Yoen Har, ACIS

**SPONSOR**

PrimePartners Corporate Finance Pte. Ltd.  
16 Collyer Quay  
#10-00 Income At Raffles  
Singapore 049318

**SHARE REGISTRAR AND SHARE TRANSFER OFFICE**

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

**AUDITOR**

Ernst & Young LLP  
Level 18 North Tower  
One Raffles Quay  
Singapore 048583

Partner-in-charge: Ng Boon Heng  
(Date of appointment: Since financial year ended 30 June  
2020)

**PRINCIPAL BANKERS**

DBS Bank Limited  
12 Marina Boulevard, Level 3  
Marina Bay Financial Centre Tower 3  
Singapore 018982

The HongKong and Shanghai Banking Corporation Limited  
10 Marina Boulevard #48-01  
Marina Bay Financial Centre Tower 2  
Singapore 018983

Maybank Singapore Limited  
2 Battery Road  
Maybank Tower  
Singapore 049907

**INVESTOR RELATIONS**

August Consulting Pte Ltd  
101 Thomson Road  
#30-02 United Square  
Singapore 307591

**WEBSITE**

[www.tlvholdings.com.sg](http://www.tlvholdings.com.sg)

# CONTENTS

<b>13</b>	Corporate Governance Statement
<b>42</b>	Director's Statement
<b>44</b>	Independent Auditor's Report
<b>48</b>	Consolidated Statement of Comprehensive Income
<b>49</b>	Balance Sheets
<b>50</b>	Statement of Changes in Equity
<b>52</b>	Consolidated Cash Flow Statement
<b>54</b>	Notes to the Financial Statements
<b>97</b>	Statistics of Shareholdings
<b>99</b>	Notice of Annual General Meeting
	Proxy Form



# CORPORATE GOVERNANCE REPORT

**TLV Holdings Limited** (the “**Company**”, and together with its subsidiary, the “**Group**”), views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders’ value and are committed to observing high standards of corporate governance.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance 2018 (the “**2018 Code**”) and accompanying practice guidance (“**PG**”) which aims to encourage board renewal, strengthen director independence and enhance board diversity, which will initially take effect for annual reports covering financial years commencing from 1 January 2019.

On 13 February 2020, the Company announced a change of financial year end from 31 March to 30 June. Accordingly, the Company has adopted the 2018 Code for its annual report for the financial period from 1 April 2019 to 30 June 2020 (“**FP2020**”).

This report describes the Company’s corporate governance practices that were in place throughout FP2020, with specific reference made to the 2018 Code, its related PG, guidelines from Code of Corporate Governance 2012 (“**2012 Code**”) which are still in effect as well as the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”). The Company has complied with the principles and guidelines as set out in the 2018 Code, 2012 Code and the Guide, where applicable. Appropriate explanations and/or alternative corporate governance practices adopted by the Company have been provided in the relevant sections below where there are deviations from the 2018 Code, 2012 Code and/or the Guide.

## BOARD MATTERS

**The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

### **Principle 1: THE BOARD’S CONDUCT OF AFFAIRS**

As at the date of this report, the Board of Directors (the “**Board**”) is made up of the following members:

Provision 1.1 of the 2018 Code:

- Goh Yeow Tin, Non-Executive Chairman and Independent Director
- Teo Boon Leng, Managing Director
- Ang Kah Leong, Executive Director
- Lu King Seng, Independent Director
- Chua Kern, Independent Director

Directors are fiduciaries who act objectively in the best interests of the Company

The Board sets the tone for the Group in respect of ethnics, values and desired organisational structure, and ensure proper accountability within the Group.

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

- 1.1 Approve the board policies, strategies (including sustainability issues) and financial objectives of the Company and monitor the performance of management;
- 1.2 Oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- 1.3 Approve the nominations of directors and appointment of key personnel;
- 1.4 Align the interests of the Board and Management with that of shareholders and balance the interest of all stakeholders; and
- 1.5 Ensure compliance with all laws and regulations as may be relevant to the business.

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

# CORPORATE GOVERNANCE REPORT

The Board adopted a Code of Business Conduct and Ethics for Directors which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. The Company has in place practices to address potential conflicts of interests. All Directors are required to notify the Company promptly of all conflicts of interest as soon as practicable as well as when required or during the Board Meeting as required. When an actual, potential and perceived conflict of interest arises, the concerned Director must recuse himself from all discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter, unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company.

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharge their duties and responsibilities in the best interest of the Company. Aside from their statutory duties, the key roles of different classes of Directors are set out below:

- Executive Directors are members of the Management who are involved in the day-to-day operations of the Group's business. They work closely with the Independent Directors on the long-term sustainability and success of the Group. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.
- Independent Directors do not participate in the day-to-day operations of the Group's business and are deemed independent by the Board. They provide independent and objective advice and insights to the Board and the Management. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic goals as well as the appointment, assessment and remuneration of the Executive Directors and key personnel.

The Executive Directors are appointed by way of service agreements while the Independent Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment.

All new Directors would be briefed on the Group's industry, business, organisation structure, and strategic plans and objectives. Relevant policies and procedural guidelines would also be provided. Orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the operation and meet with key management personnel.

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

The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment.

The Company will conduct briefings and orientation programs to familiarise newly appointed directors with the various businesses, operations and processes of the Group. Further, newly appointed Directors will be provided with a formal letter of appointment setting out their duties and obligations and appropriate training to ensure that they are fully aware of their responsibilities and obligations of being a Director of a listed company. In addition, as required under the SGX-ST Listing Manual: Section B: Rules of Catalist ("**Catalist Rules**"), all new first-time Directors (who have no prior experience as a director in a listed on the SGX-ST) are also required to attend appropriate SGX-SID Listed Company Director (LCD) Programmes offered by the Singapore Institute of Directors ("**SID**") within 1 year from the date of his/her appointment.

During FP2020, the Directors were provided with updates on changes in laws and regulations, including the Companies Act, Catalist Rules and the Code of Corporate Governance, which are relevant to the Group. The external auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

Provision 1.2 of the 2018 Code:

Directors' duties, induction, training and development



# CORPORATE GOVERNANCE REPORT

During FP2020, certain director(s) had attended training programmes, seminars and workshops organized by professional bodies to equip himself to effectively discharge his duties and enhance his skills and knowledge, either as part of his professional practice or skills upgrading. In addition, briefings and updates for the Directors in FP2020 included the following:

- the external auditors ("EA") had briefed the AC on changes or amendments to accounting standards;
- the Company Secretary had briefed the Board on regulatory changes, such as changes to the Companies Act, Code and/or the Catalist Rules; and

The Nominating Committee evaluates the individual Directors' competencies and recommends to the Board on training and development programmes for each Director. The Directors are also encouraged to attend relevant seminar and training programmes to enhance their skills and knowledge, the expenses of which will be borne by the Company.

Although the day-to-day management of the Company is delegated to the Executive Directors, there are matters which are required to be decided by the Board as a whole.

Provision 1.3 of the 2018 Code:

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

Matters requiring Board's approval

- Changes to the Group's capital structure and corporate structure;
- Material investments, acquisitions and disposals of assets;
- Material capital expenditure;
- Material Group policies;
- Recommendation/declaration of dividend;
- Annual budgets, financial statements (interim and full year), annual reports, circulars to shareholders and announcements to be submitted to the SGX-ST; and
- Appointment or removal of Directors, company secretary and Executive Officers of the Company.

Certain important matters could be subject to the recommendation by the respective Board Committees. Matters which the Board considers suitable for delegation to a Board Committee are contained in the terms of reference of the respective Board Committees.

Provision 1.4 of the 2018 Code:

Board Committees

Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") have been established to assist the Board. Each Board Committee has its own terms of reference, setting out the composition, authorities and duties, which are approved by the Board. All Board Committees are chaired by an Independent Director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the entire Board.

The compositions of the Board Committees are as follows:-

Directors	Board membership	Audit committee <sup>(1)</sup>	Nominating committee <sup>(1)</sup>	Remuneration committee <sup>(1)</sup>
Goh Yeow Tin	Non-Executive Chairman and Independent Director	Member	Member	Chairman
Teo Boon Leng	Managing Director	-	-	-
Ang Kah Leong	Executive Director	-	-	-
Lu King Seng	Independent Director	Chairman	Member	Member
Chua Kern	Independent Director	Member	Chairman	Member

**Note:**

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

# CORPORATE GOVERNANCE REPORT

The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other relevant information on the Board Committees can be found in the subsequent sections of this report.

Board and Board Committee meetings are held regularly, with Board and AC meetings to be held at least twice a year and RC and NC meetings to be held at least once a year. Board and Board Committee meetings and annual general meetings are scheduled in advance to facilitate the Directors' attendance. Ad-hoc meetings will be convened when the Board's guidance or approval is required, outside of the scheduled Board meetings.

In accordance with the Company's Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference, audio visual or by means of a similar communication equipment or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

The attendance of each Director at meetings of the Board and Board Committees during FP2020 is disclosed as follows:

## Attendance at Board and Board Committee Meetings

	<b>Board</b>	<b>AC</b>	<b>NC</b>	<b>RC</b>
<i>Number of scheduled meetings held</i>	4	4	1	2
<b>Name of Director</b>				
Goh Yeow Tin	4	4	1	2
Teo Boon Leng	4	4*	1*	2*
Ang Kah Leong	4	4*	1*	2*
Lu King Seng	4	4	1	2
Chua Kern	4	4	1	2

\* *By invitation*

The Company's Constitution allows for meetings to be held through telephone and/or videoconference.

When a Director has multiple board representations, the NC also considers whether such a Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company, board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold and this guideline can be found under Principle 4 of this report.

The Management recognises that relevant, complete and accurate information need to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently.

Management provides the Board with key information that is complete, adequate and timely prior to meetings and whenever required.

The Management provides members of the Board with half yearly management accounts, as well as relevant background information relating to the matters that are discussed at the Board and Board Committee meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Detailed board papers are sent out to the Directors at least seven working days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for more time at such meetings for questions that Directors may have.

Provision 1.5 of the 2018 Code:

Attendance and participation in Board and Board Committee meetings

Provision 1.6 of the 2018 Code:

Complete, adequate and timely information to make informed decisions

# CORPORATE GOVERNANCE REPORT

<b>Types of information provided by Management</b>		
	<b>Information</b>	<b>Frequency</b>
1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Quarterly*
2.	Updates to the Group's operations and the markets in which the Group operates in	Half yearly/as and when relevant
3.	External Auditors' reports	Yearly
4.	Reports on on-going or planned corporate actions	As and when relevant
5.	Internal auditors' ("IA") report(s)	Yearly
6.	Shareholding statistics	Yearly or as and when relevant

\* The Board and the AC will be meeting on a half-yearly rather than quarterly basis to review the financial results of the Group due to the transition to half year and full year announcement of its financial results following the amendments to Rule 705 of the Catalist Rules which took effect from 7 February 2020.

Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentation and answer any queries that the Directors may have.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.

The Board has, at all times, separate and independent access to the Management, the company secretaries and external professionals, including the sponsor, company secretary, external auditors and internal auditors.

The roles of the company secretary are clearly defined and include:

- Attending all Board and Board Committee meetings and ensuring that meeting procedures are followed;
- Together with the Management, ensure that the Company complies with all relevant requirements of the Companies Act and the Catalist Rules;
- Advising the Board on all corporate governance matters; and
- Ensuring adequate and timely flow of information within the Board and Board Committees and between the Management and the Board.

The appointment and removal of the company secretary are subject to the approval of the Board as a whole.

Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice at the Company's expense where required.

The Board has, at all times, separate and independent access to the Management, the company secretaries and external professionals, including the sponsor, company secretary, external auditors and internal auditors.

**The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

Provision 1.7 of the 2018 Code:

Separately independent access to Management, company secretary and external advisers; Appointment and removal of the company secretary

**Principle 2:  
BOARD  
COMPOSITION  
AND GUIDANCE**

# CORPORATE GOVERNANCE REPORT

## Board Independence

There is a strong independent element on the Board with independent Directors constituting at least one-third of the Board. Currently, the Board consists of five Directors of whom three are independent and non-executive.

In view that the Chairman is independent, the Company complies to Provision 2.3 of the Code as the Non-executive Directors make up a majority of the Board. Independent Directors make up at least one-third of the Board, as required under Guideline 2.1 of Code 2012.

The Board considers the existence of relationships or circumstances, including those identified by the 2018 Code and Catalist Rules, that are relevant to determine whether a Director is independent. The independence of each Director is reviewed annually by the NC. Each Independent Director is required annually to complete a checklist to confirm his independence. The checklist is drawn up based on the guidelines provided in the 2018 Code and the Catalist Rules. The NC adopts the 2018 Code's definition of what constitutes an "independent" Director in its review. The NC has reviewed and confirmed that the independence of the Independent Directors is in accordance with the Code, PG and Catalist Rules.

There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship that would otherwise deem him not to be independent.

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. As at the end of FP2020, the NC and the Board have reviewed and ascertained that all Independent Directors namely, Mr. Goh Yeow Tin, Mr. Lu King Seng and Mr. Chua Kern are independent according to the 2018 Code, and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules and noted that none of the Independent Directors have any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement. As required by 2012 Code, the independence of any director who served beyond nine years from the date of his first appointment should be subjected to particularly rigorous review. There are no Independent Directors that have served on the Board for more than nine years.

## Board Diversity

The Company has in place the Board Diversity Policy with a view to achieving a sustainable and balanced development as the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition and selection of new Board members, the Board strives to ensure that:

- (a) All candidates are included for consideration during the search for new appointments to the Board regardless of gender, age, nationalities or ethnicity;
- (b) There is appropriate mix of representation on the Board, taking into account the skills and experience the candidates can contribute; and
- (c) External search consultants when looking for suitable candidates for appointment to the Board will be specifically directed to include diverse candidates and women candidates in particular.

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Provision 2.1 of the 2018 Code: Director independence

Provision 2.2 of the 2018 Code: Independent directors make up a majority of the Board

Provision 2.3 of the 2018 Code: Non-executive directors make up a majority of the Board

Provision 2.4 of the 2018 Code:

Size and composition of the Board and Board Committee; Board diversity policy

# CORPORATE GOVERNANCE REPORT

The NC will strive to ensure that:

- Female candidates are fielded for consideration for Board appointments;
- External search consultants, engaged to search for candidates for Board appointments, are required to present female candidates; and
- At least one female Director be appointed to the NC.

The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Non-executive Chairman and Independent Director strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making.

The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees have an appropriate balance and mix of skills, knowledge and experience in the Group's core businesses and the areas of accounting and finance, legal and regulatory compliance, business management and risk management. While the NC is aware of the merits of gender diversity to the Board composition, the NC notes that it is only one of the many aspects of diversity. While due consideration would be given to female representation on the Board, the NC will continue to make its selection of candidates based on objective criteria which it believes is in the best interest of the Company.

The Board took the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

The profiles of the Directors are set out in the "Board of Directors" section of the Annual Report.

To facilitate a more effective check on the Management, the Independent Directors meet at least once a year with the internal and external auditors without the presence of the Management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Non-executive Chairman and Independent Director, as appropriate.

**There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

The Board is chaired by Mr. Goh Yeow Tin, Non-executive Chairman and Independent Director of the Company while Mr. Teo Boon Leng, is the Managing Director ("MD") of the Company. Accordingly, the Non-executive Chairman and the MD are not related. Hence, the roles of the Non-executive Chairman and the MD have been clearly separated, each having their own areas of responsibilities. This is to ensure that an appropriate balance of power, increased accountability and greater capacity of the Board for decision making.

Provision 2.5 of the 2018 Code:

Independent Directors meet regularly without the presence of the Management

**Principle 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Provision 3.1 of the 2018 Code:

Chairman and MD are separate persons

# CORPORATE GOVERNANCE REPORT

The Non-executive Chairman and Independent Director, Mr. Goh Yeow Tin, ensures that corporate information is adequately disseminated to all Directors in a timely manner to facilitate the effective contribution of all Directors. He promotes a culture of openness and debate at the Board and ensures that adequate time is allocated for discussion of all strategic issues. The Non-executive Chairman and Independent Director is assisted by the Board Committees, external auditors and internal auditors who report to the Audit Committee in ensuring compliance with the Company's guidelines on corporate governance.

Provision 3.2 of the 2018 Code:

Division of responsibilities between Chairman and CEO

The MD, Mr. Teo Boon Leng, is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Executive Director, Mr. Ang Kah Leong and the Management.

The NC has deliberated and is of the view that the appointment of a Lead Independent Director is not necessary given that the Non-executive Chairman is not part of the Management and is independent.

Provision 3.3 of the 2018 Code:

Lead Independent Director

## **The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

## **Principle 4: BOARD MEMBERSHIP**

The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.

Steps taken to progressively renew the Board composition

To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on a regular basis to ensure that the Board dynamics remain optimal.

The NC comprises three Independent Directors, namely Mr. Chua Kern, Mr. Goh Yeow Tin and Mr. Lu King Seng. The Chairman of the NC is Mr. Chua Kern.

Provision 4.1 of the 2018 Code:

The NC's responsibilities, as set out in its terms of reference, include the following:

NC to make recommendations to the Board on relevant matters

- Developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board, and making recommendations to the Board on the appointment and re-appointment of Directors (including alternate Directors, if any), taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his or her performance as an Independent Director;
- Reviewing succession plans for the Directors, in particular, the appointment and/or replacement of the Executive Chairman, MD and Executive Officers;
- Deciding on how the Board's performance may be evaluated, and proposing objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director;
- Ensuring that all Directors submit themselves for re-nomination and re-election at least once every three years;
- Determining the composition of the Board, taking into account the future requirements of the Group, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group, and other considerations as set out in the 2018 Code, and setting the objectives for achieving Board diversity and reviewing the progress towards achieving these objectives;
- Determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the requirements of the 2018 Code and any other salient factors;
- In respect of a Director who has multiple board representations on publicly listed companies, if any, reviewing and deciding, on an annual basis (or more frequently as the NC deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director;

Provision 4.2 of the 2018 Code:

Composition of NC

# CORPORATE GOVERNANCE REPORT

- Establishing guidelines on the maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- Reviewing training and professional development programmes for the Board and the Directors;
- Assessing whether each Director is able to and has been adequately carrying out his duties as a Director; and
- Ensuring that new Directors are aware of their duties and obligations.

For the review of succession plans and Board's composition for FP2020, the NC also took into consideration the amendments to the Catalist Rules in relation to the continued appointment of an independent director who has served for an aggregate period of more than nine years, bearing in mind that they will come into effect from 1 January 2022.

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

	Number of Directors	Proportion of Board
<b>Core Competencies</b>		
- Accounting or finance	2	40%
- Business management	3	60%
- Legal or corporate governance	1	20%
- Relevant industry knowledge or experience	3	60%
- Strategic planning experience	3	60%
- Customer based experience or knowledge	3	60%
<b>Gender</b>		
- Male	5	100%
- Female	0	0%

The NC is of the view that the current Board comprises members who as a group possess core competencies necessary to lead and manage the Group effectively.

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

Provision 4.3 of the 2018 Code:

Process for the selection, appointment and re-appointment of Directors

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

# CORPORATE GOVERNANCE REPORT

After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new director and/or propose the re-election of the incumbent director for shareholders' approval.

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

In recommending to the Board on appointment and re-appointment of Directors, the NC considers the following factors:

- Needs of the Group, Board Diversity Policy, expertise and experience of the candidate and his or her contribution and performance as Director of the Company, officer of other companies and/or professionals in his or her area of expertise;
- Number of public listed company directorships and other principal commitments;
- Whether the candidate is a fit and proper person in accordance with the MAS' fit and proper guidelines, which broadly takes into account the candidate's competence, honesty, integrity and financial soundness; and
- Independence of the candidate (for Independent Directors).

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

Mr Teo Boon Leng  
Mr Goh Yeow Tin

Mr Goh Yeow Tin, being a member of the NC, has abstained from deliberation in respect of his own nomination.

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

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

Saved as disclosed, neither Mr Teo Boon Leng nor Mr Goh Yeow Tin, have any other relationships between themselves (including family relationships), the Company and its 5% Shareholders.

The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of this Annual Report.

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the 2018 Code which puts the independence of the Independent Directors in question.

Provision 4.4 of  
the 2018 Code:

Circumstances  
affecting Director's  
independence



# CORPORATE GOVERNANCE REPORT

When a Director has multiple listed company Directorship and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.

Provision 4.5 of the 2018 Code:

The NC believes that putting a maximum limit on the number of Directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.

Assessment of Directors' duties

Assessment of the individual Directors' performance was based on the criteria set out in Section 5.1. The following were used to assess the performance and consider competing time commitments of the Directors: -

- Declarations by each Director of their other listed company directorships and principal commitments;
- Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments;

Multiple listed company directorships and other principal commitments

The NC is satisfied that sufficient time and attention were given by the Directors to the affairs of the Company during FP2020, notwithstanding that they hold Directorships in other listed companies and have other principal commitments, and will continue to do so in the financial year ending 30 June 2021.

The specific considerations in assessing the capacity of Directors include:

- Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
- Geographical location of Directors;
- Size and composition of the Board;
- Nature and scope of the Group's operations and size; and
- Capacity, complexity and expectations of the other listed directorships and principle commitments held.

The list of Directorships held by Directors presently or in the preceding three years in other listed companies, and other principal commitments are set out in the "Board of Director" section of the Annual Report.

PG 4  
Alternate Directors

Alternate directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans. No alternate Director has been appointed to the Board.

**The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

**Principle 5:  
BOARD  
PERFORMANCE**

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC will assess the Board's effectiveness as a whole by completing the Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC will also assess the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. In addition, the NC will assess the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

Provisions 5.1 and 5.2 of the 2018 Code:

Assessment of effectiveness of the Board and Board Committees and assessing the contribution by the Chairman and each Director

Where appropriate, the Board will review and make changes to the assessment forms to align with prevailing regulations and requirements. The performance criteria shall not be changed from year to year without justification. These assessments are to be carried out and overseen by the NC for each financial year to evaluate the effectiveness of the Board as a whole and recommendations based on these assessments would be tabled to the Board for discussion and/or adoption. The Non-Executive Chairman and Independent Director will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought

# CORPORATE GOVERNANCE REPORT

Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Based on the NC's review for FP2020, the Board operates effectively and each Director is contributing to the Board's effectiveness.

The Board has implemented a process for assessing its effectiveness as a whole and the Board committees and each individual Director to the effectiveness of the Board. The assessments of the Board, the Board Committees and the individual directors are conducted by the NC and will be carried out annually.

The assessment utilises a confidential questionnaire, covering areas such as Board composition, Board processes managing the Group's performance, the effectiveness of the Board and the Board Committees. The questionnaires are completed by members of the Board and the Board Committees. The completed qualitative assessment questionnaires are collated for deliberation by the NC. The results, conclusions and recommendations are then presented to the Board by the NC.

The assessment of the individual directors will be done through peer-assessments, in each case through a confidential questionnaire to be completed by the directors individually. The assessment parameters for such individual evaluation include attendance and contributions during Board and Board Committee meetings as well as commitment to their roles as directors. The completed questionnaires will then be collated for the NC's deliberation and reported to the Chairman of the Board. The Chairman will act on the results of the performance evaluation and the recommendations of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought.

The NC has reviewed the overall performance of the Board as a whole, the Board Committees and Individual Director for FP2020.

Following the review of the assessments of the Board as a whole, the Board Committees and Individual Director for FP2020, both the NC and the Board are of the view that the Board has met its performance objectives for FP2020. No external facilitator was used in the process.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance.

Although no external facilitator had been engaged by the Board for this purpose, the NC has full authority to do so, if the need arises.

## REMUNERATION MATTERS

**The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

## Principle 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The RC comprises three Independent Directors, namely Mr Goh Yeow Tin, Mr Lu King Seng and Mr Chua Kern. The Chairman of the RC is Mr Goh Yeow Tin.

Provision 6.1 of the 2018 Code:

The RC's responsibilities, as set out in its terms of reference, include the following:

RC to recommend remuneration framework and packages

- Reviewing and recommending to the Board for approval a framework of remuneration for the Directors and Executive Officers as well as the specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance;
- Reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with the respective job scopes and level of responsibilities, and reviewing and approving any new employment of related employees and the proposed terms of their employment;

Provision 6.2 of the 2018 Code:

Composition of RC

# CORPORATE GOVERNANCE REPORT

- Reviewing the obligations arising in the event of termination of service contracts entered into between the Group and the Executive Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- If necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- Performing an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate the Directors and Executive Officers, and to align the interests of the Directors and Executive Officers with the interests of the shareholders and other stakeholders and promote the long-term success of the Company; and
- Ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review and recommendation of remuneration packages for the Directors and executive officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.

Provision 6.3 of the 2018 Code:

RC to consider and ensure all aspects of remuneration are fair

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors do not receive any remuneration from the Company.

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated in the service agreements.

There are no excessively long or onerous removal clauses in these service agreements. The service agreements are valid for a period of three years with supplemental service agreement.

There are no contractual provisions which allows the Company to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate

"Claw-back" Provisions

No remuneration consultants were engaged by the Company for FP2020 for the remuneration packages of its Directors and key management personnel as the Company is of the view that the annual review by the RC, giving due regard to prevailing market conditions as well as the financial and business needs of the Group, is currently sufficient to ensure the continued relevance of such remuneration packages to the Group's strategic business objectives and alignment with market practices.

Provision 6.4 of the 2018 Code:

Expert advice on remuneration

# CORPORATE GOVERNANCE REPORT

**The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company**

Remuneration of Executive Directors and key management personnel comprises fixed components and variable components. The fixed component is in the form of a monthly base salary. The variable component is in the form of incentive bonus that is performance related and linked to the corporate and individual performance. Their remuneration is linked to their roles and responsibilities and aligned with shareholders' interests to promote long-term success of the Group. The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Directors and the key management personnel of the required experience and expertise. No Director is involved in any discussion relating to his own remuneration, terms and conditions of service, and the review of his performance.

Each Executive Director has a service agreement with the Company valid for an initial period of three (3) years with effect from the date of the Company's listing on the Catalist of the SGX-ST ("**Listing**"). Upon the expiry of the initial period of three (3) years, the employment of each Executive Director shall be renewed for a further three (3) years on such terms and conditions as may be agreed by the RC unless terminated by either party giving six (6) months' written notice of intention not to renew the employment. All revisions to the remuneration packages for the Executive Directors are subject to the review by and recommendation of the RC and the approval of the Board.

Taking note of competitive pressures in the talent market, the Board has, on review, decided not to disclose the key performance indicators and performance conditions of the Executive Directors and key management personnel.

The RC has reviewed and is satisfied that the performance conditions were met for FP2020.

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

The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised. The fees for the financial year in review are determined in the previous financial year, proposed by the Management submitted to the RC for review and thereafter recommended to the Board for approval.

The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FP2020 is appropriate, considering the effort, time spent and responsibilities.

## **Principle 7: LEVEL AND MIX OF REMUNERATION**

Provisions 7.1 and 7.3 of the 2018 Code:

Remuneration of Executive Directors and key management personnel are appropriately structured to encourage good stewardship and promote long-term success of the Company

What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?

Were all of these performance conditions met? If not, what were the reasons?

Provision 7.2 of the 2018 Code:

Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities

# CORPORATE GOVERNANCE REPORT

**The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

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

A breakdown (in absolute amounts and percentage terms) of the remuneration earned by each Director and the MD during FP2020 is as follows

Remuneration band and name of Director	Directors' fee (%)	Salary (%)	Variable or performance related bonus <sup>(1)</sup> (%)	Total (%)
<b>\$250,001 to \$500,000</b>				
Teo Boon Leng	-	65%	35%	100%
Ang Kah Leong	-	78%	22%	100%
<b>Below \$250,000</b>				
Goh Yeow Tin	100%	-	-	100%
Lu King Seng	100%	-	-	100%
Chua Kern	100%	-	-	100%

<sup>(1)</sup> benefits in kind are included in the variable component

The Company only has 3 top key management personnel. The remuneration received by the top 3 key management personnel (who are not Directors or the MD) in FP2020 is disclosed below:-

Remuneration band and name of key management personnel	Salary and CPF (%)	Variable or performance related bonus <sup>(1)</sup> (%)	Total (%)
<b>\$250,001 to \$500,000</b>			
Irene Ng	55%	45%	100%
Julia Tan	55%	45%	100%
<b>Below \$250,000</b>			
Tan Yee Ming	94%	6%	100%

<sup>(1)</sup> benefits in kind are included in the variable component

The annual aggregate amount of the total remuneration paid to top 3 key management personnel (who are not Directors or the MD) is approximately S\$764,000. There were no termination or retirement benefits and post-employment benefits granted to the Directors and key management in FP2020.

Save for the Executive Directors, there are no employees who were substantial shareholders of the Company in FP2020.

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

The Company had no employee share schemes during FP2020.

## Principle 8: DISCLOSURE ON REMUNERATION

Provisions 8.1 and 8.3 of the 2018 Code:

Remuneration disclosures of Directors and key management personnel; Details of employee share schemes

Provision 8.2 of the 2018 Code:

Remuneration disclosure of related employees Employee Share Scheme(s)

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

**The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

Risk analysis and management is undertaken within the Group as a source of sustainable business benefit and competitive advantage. The Board is responsible for the management of the Group's significant risks and is assisted by the AC in the oversight of the risk management and internal control systems of the Group.

The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The internal auditor ("IA"), PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC"), has carried out internal audit on the system of internal controls and reported the findings to the AC. The external auditor, Ernst & Young LLP ("EA"), has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors' recommendations raised during the audit processes. No material internal control weakness had been raised by the internal and external auditors in the course of their audits for FP2020.

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

The IA has full access to documents, records, properties and personnel of the Group. The IA plans its internal audit schedules in consultation with the management and its plans, IA reports and activities are reviewed and approved by the AC to ensure, inter alia, the adequacy of the scope of the audit. The internal audit plan complements that of the EA and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems. The AC reviews the reports issued by the IA to ensure that the Group's internal controls including financial, operational, compliance and IT controls are robust and effective, and follows up with management and the IA in ensuring that the IA's recommendations agreed with management have been adequately and appropriately implemented. There were no material weaknesses identified, the Board noted that there were certain areas requiring improvement as identified by the IA during the course of their audit performed in FP2020. The Board has accepted the IA's recommendations and has implemented the various recommendations to address such deficiencies identified.

Based on the work performed by the IA, EA and the internal controls established and maintained by the Group, the Board and the AC, after making all reasonable enquiries and to the best of its knowledge and belief, are of the opinion that the Company has adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

The bases for the Board's view are as follows:

1. Assurance has been received from the MD and Group Financial Controller ("GFC") (refer to Section 9.2(b) of Table I);
2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed;
3. Key management personnel evaluates, monitors material risks and reports to the AC on a regular basis; and
4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns.

## Principle 9: RISK MANAGEMENT AND INTERNAL CONTROLS

Provision 9.1 of  
the 2018 Code:

Board determines  
the nature  
and extent of  
significant risks

# CORPORATE GOVERNANCE REPORT

The Board received assurance from the MD and the GFC that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Provision 9.2 of the 2018 Code:

In addition, the Board received assurance from the MD, GFC and other key management personnel that the Company's risk management and internal control systems are adequate and effective.

Assurance from CEO, CFO and other key management personnel

Based on the reviews carried out by the AC, work performed by the internal and external auditors and assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective for FP2020.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company's risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company's operations

## **The Board has an Audit Committee which discharges its duties objectively**

### **Principle 10: AUDIT COMMITTEE**

The AC comprises three Independent Directors, namely Mr Lu King Seng, Mr Goh Yeow Tin and Mr Chua Kern. The Chairman of the AC is Mr Lu King Seng.

Provision 10.1 of the 2018 Code:

Duties of AC

All members of the AC are appropriately qualified and have relevant accounting or related financial management expertise and experience. They are not former partners or directors of the Company's auditing firm and none of the AC members hold any financial interest in the external audit firm.

Provision 10.2 of the 2018 Code:

Composition of AC

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

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

The AC's responsibilities, as set out in its terms of reference, include the following:

Provision 10.3 of the 2018 Code:

- Reviewing the audit plan and scope of work of the external auditors and internal auditors, the results of the external and internal auditors' review and evaluation of the system of internal controls, and their management letters on the internal controls together with the Management's response, and monitoring the implementation of the internal control recommendations made by the external and internal auditors;
- Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's risk management systems and internal controls addressing financial, operational, compliance and information technology risks (such review to be carried out internally or with the assistance of any competent third parties);
- Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- Making recommendations to the Board on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;

AC does not comprise former partners or directors of the Company's auditing firm

# CORPORATE GOVERNANCE REPORT

- Reviewing the interim financial results and annual consolidated financial statements and the external auditors' report on the annual consolidated financial statements, and reviewing and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore financial reporting standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits, to ensure the integrity of the financial statements of the Group and any announcements relating to the financial performance, before submission to the Board for approval;
- Meeting with the external auditors and internal auditors without the presence of the Management, at least annually;
- Reviewing and discussing with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
- Reviewing and ensuring the co-ordination among the internal auditors, external auditors and the Management, including assistance given by our Management to the auditors;
- Considering the independence and objectivity of the external auditors, taking into account the non-audit services provided by the external auditors and the fees paid for such non-audit services, if any;
- Reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approving interested person transactions the value of which amount to 3.0% or more of the latest audited NTA of the Group, or any agreement or arrangement with an interested person that is not in the ordinary course of business of the Group, prior to the Group's entry into the transaction, agreement or arrangement;
- Making recommendations to the Board on the proposals to the shareholders with regard to the appointment, re-appointment and removal of external auditors, and the remuneration and terms of engagement of the external auditors;
- Reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- Reviewing any potential conflicts of interests and set out a framework to resolve or mitigate such potential conflicts of interests, and monitoring compliance with such framework;
- Establishing and reviewing the policy and arrangements by which employees of the Group or any other persons may safely raise concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for independent investigation of such concerns and appropriate follow-up actions in relation thereto;
- Ensuring that the Group publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- Reviewing the assurance from the CEO and the Financial Controller on the financial records and financial statements;
- Undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- Ensuring that the terms of non-compete undertakings provided to the Company have been compiled with; and
- Reviewing and approve transactions falling within the scope of Chapter 10 of the Catalist Rules.

The Company's staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to AC Chairman via a dedicated secured email address.



# CORPORATE GOVERNANCE REPORT

The AC is authorised to investigate any matter within its terms of reference, and has full access to, and co-operation of, the Management. The AC has full discretion to invite any Director, Executive Officer or management personnel to attend its meetings and has access to reasonable resources, including independent professional advice, to enable it to discharge its functions.

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditor. The audit fees and non-audit fees paid or payable to the EA for FP2020 amounted to S\$143,000 and nil respectively. There were no non-audit services rendered during FP2020. The AC, having reviewed the scope and value of the audit services provided by the external auditor, is satisfied that the independence and objectivity of the external auditor is not impaired.

In recommending the re-appointment of Ernst & Young LLP as the external auditor for the financial year ending 30 June 2021, the AC had taken into consideration the Audit Quality Indicator Disclosure Framework published by the Accounting and Corporate Regulatory Authority.

The Company has outsourced its internal audit function to PwC, a corporate member of the Institute of Internal Auditors Singapore. The primary reporting line of the internal auditors is to the AC and administratively to the GFC. The hiring, removal, evaluation of the internal auditors and compensation to be paid to them is recommended by the AC and approved by the Board.

The internal audit team have unrestricted access to the Company's documents, records, properties and personnel. The internal audit team is staffed with personnel with relevant qualifications and experience and takes reference from the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors when performing their reviews. As such the AC is satisfied that the IA is able to discharge its duties effectively as it is adequately independent, adequately qualified, adequately resourced to perform its functions and have appropriate standing within the Group.

The internal audit function is independent of the activities it audits. During FP2020, the internal auditors completed an internal control review of the Group's key processes in retail sales and cashiering, bank and cash management.. The related internal audit reports, including management's responses and implementation status, have been communicated to the AC.

The AC endeavour to meet at least once a year with the external and internal auditors without the presence of the Management so that any concern and/or issue can be raised directly and privately.

The AC has met with the EA and the IA at least once in the absence of key management personnel in FP2020 to discuss, amongst other matters, the conduct of audit for the Group's FP2020 financial statements.

Provision 10.4 of the 2018 Code:

Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel

Provision 10.5 of the 2018 Code:

AC meets with the auditors without the presence of Management annually

## SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FP2020, the AC has discussed with the Management the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The key audit matters, which are included in the independent auditors' report for FP2020, were discussed with the Management and the external auditor and were reviewed by the AC.

## WHISTLE-BLOWING CHANNELS

The Company has in place a whistle-blowing policy and procedures for employees of the Group and other persons to raise concerns about possible improprieties in matters of financial reporting, fraudulent behaviour and other significant matters directly to the AC in confidence and without fear of reprisals. Details of this policy are disseminated to all employees of the Group.

The AC shall commission and review the findings of internal investigations where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. There were no whistle-blowing reports received in FP2020.

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

To date, no significant matter was raised through the Group's whistle-blowing channels.

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDER RIGHTS AND ENGAGEMENT

**The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Board ensures that the shareholders are treated fairly and equitably. All material information which would likely affect the price or value of the Company's shares shall be disclosed adequately and in a timely manner. Presentations to shareholders will be made available on SGXNET and the Company's website.

In presenting the Group's financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.

The Company's principal form of dialogue with shareholders takes place at general meetings. Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the time notice period as prescribed by the relevant regulations. Where necessary, additional explanatory notes will be provided for relevant resolutions which are to be tabled at general meetings to enable shareholders to exercise their vote on an informed basis. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company.

Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.

SGX-ST publishes investor guides to help the investment community in their preparation for annual general meetings and other general meetings. The links to SGX-ST's investor guides have been included on the Company's website under the "Investor Relations" section for ease of reference by shareholders.

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings.

The Board notes that the best practice is to have separate resolutions on each substantially separate issue. The Company shall avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.

All Directors, including the chairpersons of various Board Committees, and the Executive Officers shall attend general meetings to address shareholders' queries and receive feedback from shareholders.

The external auditor, Ernst & Young LLP, shall also be invited to attend general meetings and will assist in addressing queries from the shareholders relating to the conduct of the audit and the preparation and content of the independent auditor's report.

The Chairman of the meeting will facilitate constructive dialogue between shareholders and the Board, the Management, the external auditors and other relevant professionals.

### **Principle 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

Provision 11.1 of the 2018 Code:

Company provides shareholders with the opportunity to participate effectively and vote at general meetings

Provision 11.2 of the 2018 Code:

Separate resolution on each substantially separate issue

Provision 11.3 of the 2018 Code:

All Directors attend general meetings

# CORPORATE GOVERNANCE REPORT

The Company's Constitution allows all shareholders to appoint up to 2 proxies to attend and vote on their behalf and also provides that a proxy need not be a shareholder of the Company. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.

Provision 11.4 of the 2018 Code:

Company's Constitution allow for absentia voting of shareholders

The Company's Constitution does not permit voting in absentia as the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

Provision 11.5 of the 2018 Code:

Minutes of general meetings are published on the Company's corporate website as soon as practicable

Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Executive Officers will be published on the Company's corporate website at <http://www.tlvholdings.com.sg>.

Currently, the Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on amongst others, the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Provision 11.6 of the 2018 Code:

Dividend policy

Subject to its Constitution and the Companies Act, the Company may, by ordinary resolution of shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors subject to the approval of the shareholders. Subject to its Constitution and the Companies Act, the Directors may also declare an interim dividend without the approval of the shareholders.

The form, frequency and amount of future dividend of the Company's shares will depend on the earnings, financial position, results of operations, cash flows, capital needs, general business conditions, terms of borrowing arrangements (if any), plans for expansion, and other factors as the Board may deem appropriate.

No dividend has been declared for FP2020 due to the current uncertain business environment as the Company strives to conserve cash for working capital purposes.

**The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

**Principle 12:  
ENGAGEMENT  
WITH  
SHAREHOLDERS  
Principle 12:  
ENGAGEMENT  
WITH  
SHAREHOLDERS**

The Company informs the shareholders promptly of all major developments via SGXNET and the Group's corporate website <http://www.tlvholdings.com.sg>.

Provision 12.1 of the 2018 Code:

The Company does not have a dedicated investor relations team.

Company provides avenues for communication between the Board and shareholders and discloses steps taken to solicit and understand the views of shareholders

The Company is committed to treating all shareholders fairly and equitably and to keep all its shareholders and other stakeholders informed of its corporate activities which would be likely to materially affect the price or value of its shares, on a timely basis.

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

# CORPORATE GOVERNANCE REPORT

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

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

## MANAGING STAKEHOLDERS RELATIONSHIPS

**The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served**

The Company takes pride in meeting and exceeding the expectations of the stakeholders. The engagement with material stakeholder groups, including key areas of focus and engagement channels, are disclosed in the Sustainability Report.

The Company is working towards the issuance of its FP2020 sustainability report by 30 November 2020, and such report will be made available to shareholders on the SGXNET and the Company's website.

Stakeholders who wish to know more about the Group and the business and governance practices can visit the Company's website at <http://www.tlvholdings.com.sg>. The website includes an investor relations section containing the Company's financial highlights, annual report, corporate announcements, whistle-blowing policy and investor relations policy.

## DEALINGS IN SECURITIES

The Group has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities. The policies have been made known to Directors, Executive Officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the periods commencing one month before the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results.

The Company, Directors and employees of the Company are also advised to observe insider trading laws at all times. Directors are required to report all dealings to the company secretaries.

## INTERESTED PERSON TRANSACTIONS ("IPTs")

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

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

There were no other interested person transactions of value more than S\$100,000 and above in FP2020.

Provisions 12.2 and 12.3 of the 2018 Code:

Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company

## Principle 13: ENGAGEMENT WITH STAKEHOLDERS

Provisions 13.1 and 13.2 of the 2018 Code:

Engagement with material stakeholder groups

Provision 13.3 of the 2018 Code:

Corporate website to engage stakeholders

# CORPORATE GOVERNANCE REPORT

## **MATERIAL CONTRACTS**

There were no material contracts entered into by the Group involving the interests of the MD, any Director or controlling shareholder, who are either still subsisting at end of FP2020 or if not then subsisting, entered into since the end of the previous financial year.

## **NON-SPONSOR FEES**

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FP2020.

## **USE OF IPO PROCEEDS**

There are no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules.

## **SUSTAINABILITY REPORTING**

The Company is working towards the issuance of its FP2020 sustainability report by 30 November 2020, and such report will be made available to shareholders on the SGXNET and the Company's website.

# CORPORATE GOVERNANCE REPORT

## RE-ELECTION DIRECTORS

Name of retiring Director	Teo Boon Leng	Goh Yeow Tin
Date of appointment	22 June 2015	21 August 2015
Date of last re-appointment	27 July 2018	28 July 2017
Age	66	69
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and having assessed Mr Teo's requisite knowledge and experiences to assume the responsibilities as Executive Director of the Company.	The Nominating Committee ("NC") and the Board, having considered: (i) that Mr Goh was not the subject of any investigations conducted by the Joint Special Auditors on Singapore Post Limited; and (ii) the findings of the Joint Special Auditors, and having considered the NC's assessment of Mr Goh's overall contribution and performance as a director of the Company, is of the view that, notwithstanding Mr Goh's disclosure on (j)(i) below, Mr Goh is suitable to be appointed as a director of a listed company in Singapore.  The Board, having considered the recommendation of the NC and having assessed Mr Goh's requisite knowledge and experiences to assume the responsibilities as Independent Director of the Company.  Accordingly, the NC and the Board recommend the re-appointment of Mr Goh as Non-Executive Chairman and Independent Director of the Company, subject to shareholders' approvals at the forthcoming AGM.
Whether appointment is executive, and if so, the area of responsibility	Executive  Oversees the business development, procurement and the overseas operations of the Group and is instrumental in maintaining working relationships with suppliers and customers. Spearheaded the Group's growth, leading the expansion of its retail, wholesale and pawnbroking businesses and operations	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Managing Director	Non-Executive Chairman and Independent Director
Academic qualifications	N.A.	<ul style="list-style-type: none"> <li>Bachelor Degree in Mechanical Engineering (Honours) from University of Singapore</li> <li>Masters Degree in Industrial Engineering and Management from Asian Institute of Technology</li> </ul>
Professional memberships/ qualifications	N.A.	Professional membership in Singapore Institute of Directors

# CORPORATE GOVERNANCE REPORT

Name of retiring Director	Teo Boon Leng	Goh Yeow Tin
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7H (Listing Rule 720(1))	Yes	Yes
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	No	No
Working experience and occupation(s) during the past 10 years	Taka Jewellery Pte Ltd	2012 to Present: Provision of advisory services to Seacare Foundation Pte Ltd 2001 to 2011: Chief Executive Officer of Sino-Sing Center Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	Yes	No
Shareholding details	171,359,753 ordinary shares	N.A.
<b>Other Principal Commitments# Including Directorships</b>		
Past (for the last 5 years)	Nil	1) Linknet Asia Pte Ltd 2) OEL (Holdings) Limited 3) Singapore Post Limited
Present	1) TLV Holdings Limited 2) Taka Jewellery Pte.Ltd. 3) Voi Hong Kong Limited 4) Voi Jewellery Pte. Ltd. 5) Lovis Diamonds Pte. Ltd. 6) Top Cash Pte.Ltd. 7) Taka Jewellery (Hong Kong) Limited 8) Globe Diamonds Singapore Pte. Ltd. 9) Taka Bullion Pte. Ltd 10) Elite Equity Pte. Ltd. 11) Equity Fintech Pte. Ltd. 12) Top Cash Pawnshop Pte. Ltd. 13) BizFintech Pte. Ltd. 14) Maoming Gaoda Zhubao Co Ltd 15) Taka Hong Kong Venture Limited	1) Sheng Siong Group Ltd. 2) AsiaPhos Limited 3) Vicom Ltd. 4) KTMG Limited 5) Edu Community Pte. Ltd. 6) Kiran Electronic B & C Services Pte. Ltd. 8) Seacare Foundation Pte Ltd 9) Seacare Manpower Services Pte Ltd 10) Seacare Medical Holdings Pte Ltd 11) SGP Global Pte Ltd (Formerly known as Watertech Pte. Ltd.)

# CORPORATE GOVERNANCE REPORT

Name of retiring Director	Teo Boon Leng	Goh Yeow Tin
<b>Information Required Pursuant to Listing Rule 704(6)</b>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No



# CORPORATE GOVERNANCE REPORT

Name of retiring Director	Teo Boon Leng	Goh Yeow Tin
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No

# CORPORATE GOVERNANCE REPORT

Name of retiring Director	Teo Boon Leng	Goh Yeow Tin
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	<p>Yes</p> <p>Mr. Goh was an independent director of Singapore Post Limited ("SingPost") from 7 July 2014. He was subsequently re-designated as Executive Director for the period from 1 January 2016 to 24 June 2016.</p> <p>On or around 23 December 2015, SingPost announced the appointment of Special Auditors, on the request of one of its Directors, to investigate issues raised in the media reports in relation to certain acquisitions, including the purchase of the entire issued and paid-up capital of F.S. Mackenzie Limited announced on 18 July 2014. Based on the findings of the Joint Special Auditors, on 4 May 2017, SGX issued a public reprimand against SingPost for breaches of the Listing Rules.</p> <p>Mr Goh has resigned as independent director of SingPost on 24 June 2016.</p>
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

# CORPORATE GOVERNANCE REPORT

Name of retiring Director	Teo Boon Leng	Goh Yeow Tin
<b>Disclosure Applicable to the Appointment of Director Only</b>		
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If Yes, please provide details of prior experience.</p> <p>If No, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p> <p><b>Notes:</b></p> <p># Include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments</p> <p>N.A. – Not Applicable</p>	<p>N.A.</p>	<p>N.A.</p>

# DIRECTORS' REPORT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of TLV Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial period from 1 April 2019 to 30 June 2020.

## Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the period ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

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

## Arrangements to enable Directors to acquire shares and debentures

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

## Directors' interests in shares and debentures

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

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

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, the above Directors are deemed to have an interest in all the shares held by the Company in its subsidiaries.

There was no change in any of the above-mentioned interests in the Company between the end of the financial period and 21 July 2020.

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

# DIRECTORS' REPORT

## **Options**

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

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

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

## **Auditor**

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

On behalf of the board of directors:

Ang Kah Leong  
Director

Teo Boon Leng  
Director

Singapore

23 September 2020

# INDEPENDENT AUDITOR'S REPORT

To the Members of TLV Holdings Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of TLV Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2020, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the period ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

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

### Allowance for impairment of trade receivables from the Group's jewellery business

The Group's trade receivables mainly relate to the Group's exhibition jewellery business and are significant to the Group as they represent 28% of the Group's total assets as at period end.

The Group applies the simplified approach in calculating expected credit losses ("ECLs") in accordance with SFRS(I) 9 Financial Instruments and recognises loss allowance based on lifetime expected losses at each reporting date. Trade receivables that are credit impaired are assessed for impairment by making debtor-specific assessment.

The Group uses a provision matrix to estimate the allowance for ECLs on trade receivables from exhibition jewellery sales. The key assumptions used in the ECLs model relate to the collectibility of trade receivables and historical observed default rates. A considerable amount of judgment is required in deriving these key inputs, and includes reviewing the current creditworthiness and past collection history of the debtors, as well as considering forward-looking economic information.

In light of the COVID-19 pandemic and the heightened level of estimation uncertainty associated with the market and economic conditions prevailing at the reporting date, additional time and effort were spent in assessing estimates and judgement applied by management. As such, we determined this is a key audit matter.

As part of our audit, we tested the reasonableness of the key inputs and assumptions used by the Group in the ECLs model which is largely dependent on the Group's evaluation of collectability, analysis of historical write-offs and credit losses, and aging analysis of trade receivables. We reviewed the process and tested the key parameters relating to the aging data and forward-looking economic factors used in the ECLs model by considering the market prices of gold and diamond to gauge their demand and the GDP forecast of the country in which the key customers are operating in. We checked the arithmetic accuracy of the allowance rates used. We reviewed the Group's credit control procedures in respect of monitoring and managing the credit risk of trade receivables. We requested trade receivables confirmations for major debtors and performed procedures to obtain evidence of receipts from the debtors subsequent to the balance sheet date, reviewed the debtors' past payment trends and the Group's assessment of debts with significant increase in credit risk since initial recognition.

# INDEPENDENT AUDITOR'S REPORT

To the Members of TLV Holdings Limited

## **Key Audit Matters (cont'd)**

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

Where specific impairments have been made, we considered the impairment indicators, assumptions made by management in their assessment of the recoverability of the outstanding receivables which include, the probability of the collection.

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

### **Valuation and existence of inventories**

As of 30 June 2020, the Group's total inventories amounted to \$91,053,000. The Group's inventories comprise of raw materials and finished goods.

We focused on inventories as their carrying amounts are material to the financial statements and there is a high inherent risk of theft and pilferage. In addition, the determination of allowance for slow moving inventories involves a high level of management judgment and estimation uncertainty associated with the market and economic conditions prevailing at the reporting date, where the appropriate amount of allowance is determined by considering the age of inventories, market prices for gold, expected and current demand and rework costs. Accordingly, we identified this as a key audit matter.

We obtained an understanding of the Group's internal controls with respect to physical safeguards over inventories. We attended and observed management's year-end inventory counts at selected outlets, and test counted and traced them to management's records on a sample basis.

With respect to slow moving inventories, we reviewed management's assessment and evaluated the adequacy of allowance made for slow moving inventories. In addition, we have obtained the inventory sales during and subsequent to the financial period and analysed the gross profit margin as part of our assessment for stock obsolescence test. We performed a review of the inventory aging analysis and recomputed management's calculation of inventory turnover days. We also reviewed on a sample basis, management's assessment of the net realisable value of these inventories by comparing them against market value at year end and sales price during the year and subsequent to year end.

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

### **Other Information**

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

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

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

### **Responsibilities of Management and Directors for the Financial Statements**

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

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of TLV Holdings Limited

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



# INDEPENDENT AUDITOR'S REPORT

To the Members of TLV Holdings Limited

## **Report on Other Legal and Regulatory Requirements**

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

23 September 2020

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 April 2019 to 30 June 2020

	Note	Group	
		1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
<b>Revenue</b>	4	114,121	119,036
Cost of sales		(84,286)	(89,479)
<b>Gross profit</b>		29,835	29,557
Other operating income	5	2,215	225
Distribution costs		(20,918)	(18,717)
Administrative expenses		(6,411)	(5,395)
Other operating expenses		(3,556)	(1,484)
Share of profit of associates		134	231
Finance costs	6	(1,885)	(584)
<b>(Loss)/profit before tax</b>	7	(586)	3,833
Income tax credit/(expense)	9	193	(367)
<b>(Loss)/profit after tax</b>		(393)	3,466
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		35	9
Share of foreign currency translation of associates		282	107
<b>Total comprehensive income</b>		(76)	3,582
<b>(Loss)/profit after tax attributable to:</b>			
Owners of the Company		(476)	3,503
Non-controlling interest		83	(37)
		(393)	3,466
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(159)	3,619
Non-controlling interest		83	(37)
		(76)	3,582
<b>(Loss)/earnings per share</b>			
<b>Basic and Diluted (cents)</b>	10	(0.09)	0.63

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

# BALANCE SHEETS

As at 30 June 2020

	Note	Group		Company	
		30.6.2020 \$'000	31.3.2019 \$'000	30.6.2020 \$'000	31.3.2019 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment in subsidiaries	11	-	-	82,076	82,076
Investment in associates	12	6,537	6,407	-	-
Right of use assets	23	8,620	-	-	-
Property, plant and equipment	13	10,324	10,967	-	-
Trademarks	14	528	704	-	-
Other receivables	16	912	719	-	-
Deferred tax assets	21	841	459	-	-
		<u>27,762</u>	<u>19,256</u>	<u>82,076</u>	<u>82,076</u>
<b>Current assets</b>					
Inventories	15	91,053	86,637	-	-
Trade and other receivables	16	53,148	55,999	13,052	14,500
Prepayments		132	145	3	17
Cash and bank balances	17	13,681	11,529	1,428	2,419
		<u>158,014</u>	<u>154,310</u>	<u>14,483</u>	<u>16,936</u>
Total assets		<u>185,776</u>	<u>173,566</u>	<u>96,559</u>	<u>99,012</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Loans and borrowings	18	27,053	17,382	-	-
Bullion loans	19	3,055	6,836	-	-
Trade and other payables	20	30,420	34,754	11	995
Lease liabilities	23	4,375	-	-	-
Income tax payable		274	661	-	-
		<u>65,177</u>	<u>59,633</u>	<u>11</u>	<u>995</u>
<b>NET CURRENT ASSETS</b>		<u>92,837</u>	<u>94,677</u>	<u>14,472</u>	<u>15,941</u>
<b>Non-current liabilities</b>					
Loans and borrowings	18	14,230	10,196	-	-
Lease liabilities	23	3,849	-	-	-
Deferred tax liabilities	21	2	-	-	-
Trade and other payables	20	257	175	-	-
		<u>18,338</u>	<u>10,371</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>83,515</u>	<u>70,004</u>	<u>11</u>	<u>995</u>
<b>NET ASSETS</b>		<u>102,261</u>	<u>103,562</u>	<u>96,548</u>	<u>98,017</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	24	96,719	96,719	96,719	96,719
Merger reserve		(64,502)	(64,502)	-	-
Treasury shares	25	(698)	(698)	(698)	(698)
Translation reserve		738	421	-	-
Retained earnings		69,958	71,659	527	1,996
Equity attributable to equity holders		<u>102,215</u>	<u>103,599</u>	<u>96,548</u>	<u>98,017</u>
Non-controlling interest		46	(37)	-	-
Total equity		<u>102,261</u>	<u>103,562</u>	<u>96,548</u>	<u>98,017</u>

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

# STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 April 2019 to 30 June 2020

	Share capital \$'000	Merger reserve \$'000	Treasury shares \$'000	Foreign currency translation reserve <sup>(1)</sup> \$'000	Retained earnings \$'000	Non-controlling Interest \$'000	Total equity \$'000
<b>Group</b>							
<b>Opening balance as at 1 April 2019</b>	96,719	(64,502)	(698)	421	71,659	(37)	103,562
Loss for the period	-	-	-	-	(476)	83	(393)
<b>Other comprehensive income</b>							
Foreign currency translation	-	-	-	35	-	-	35
Share of foreign currency translation of associates	-	-	-	282	-	-	282
<b>Total comprehensive income</b>	-	-	-	317	(476)	83	(76)
<b>Distributions to owners</b>							
Dividends paid (Note 26)	-	-	-	-	(1,225)	-	(1,225)
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	(1,225)	-	(1,225)
<b>Closing balance as at 30 June 2020</b>	96,719	(64,502)	(698)	738	69,958	46	102,261
<b>Opening balance as at 1 April 2018 (FRS framework)</b>	96,719	(64,502)	(698)	305	71,998	-	103,822
Cumulative effects of adopting SFRS(I)	-	-	-	-	(2,617)	-	(2,617)
<b>Opening balance as at 1 April 2018 (SFRS(I) framework)</b>	96,719	(64,502)	(698)	305	69,381	-	101,205
Profit for the year	-	-	-	-	3,503	(37)	3,466
<b>Other comprehensive income</b>							
Foreign currency translation	-	-	-	9	-	-	9
Share of foreign currency translation of associates	-	-	-	107	-	-	107
<b>Total comprehensive income</b>	-	-	-	116	3,503	(37)	3,582
<b>Distributions to owners</b>							
Dividends paid (Note 26)	-	-	-	-	(1,225)	-	(1,225)
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	(1,225)	-	(1,225)
<b>Closing balance as at 31 March 2019</b>	96,719	(64,502)	(698)	421	71,659	(37)	103,562

<sup>(1)</sup> **Foreign currency translation reserve**

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

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

# STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 April 2019 to 30 June 2020

<b>Company</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Closing balance as at 1 April 2018</b>	96,719	(698)	2,677	98,698
Profit for the year	-	-	544	544
<b>Total comprehensive income</b>	-	-	544	544
<b>Distributions to owners</b>				
Dividends paid (Note 26)	-	-	(1,225)	(1,225)
<b>Closing balance as at 31 March 2019 and 1 April 2019</b>	96,719	(698)	1,996	98,017
Loss for the period	-	-	(244)	(244)
<b>Total comprehensive income</b>	-	-	(244)	(244)
<b>Distributions to owners</b>				
Dividends paid (Note 26)	-	-	(1,225)	(1,225)
<b>Closing balance as at 30 June 2020</b>	<u>96,719</u>	<u>(698)</u>	<u>527</u>	<u>96,548</u>

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

# CONSOLIDATED CASH FLOW STATEMENT

For the financial period from 1 April 2019 to 30 June 2020

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(586)	3,833
Adjustments for:		
Depreciation of property, plant and equipment	1,208	897
Depreciation of right of use assets	4,919	-
Amortisation of trademarks	176	141
Interest expense	1,885	584
Share of profit of associates	(134)	(231)
Loss on disposal of associate	171	-
Allowance for impairment of trade receivables	2,860	1,247
Fair value change of bullion loans	2,961	58
Unrealised exchange loss/(gain)	168	(136)
Loss on disposal of property, plant and equipment (Note (i))	-	23
<b>Operating cash flows before working capital changes</b>	13,628	6,416
Increase in trade and other receivables and prepayments	(1,303)	(9,112)
Increase in inventories	(4,312)	(8,014)
Decrease in trade and other payables	(3,168)	(1,716)
<b>Cash flows generated from/(used in) operations</b>	4,845	(12,426)
Interest paid	(1,885)	(584)
Income tax paid, net	(575)	(430)
<b>Net cash flows generated from/(used in) operating activities</b>	2,385	(13,440)
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	38
Investment in an associate	-	(648)
Payment of reinstatement costs	(61)	(20)
Purchase of property, plant and equipment (Note (ii))	(1,472)	(6,712)
<b>Net cash flows used in investing activities</b>	(1,533)	(7,342)
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	27,000	22,800
Repayment of bank borrowings	(13,655)	(6,072)
New bullion loans	26,697	6,778
Repayment of bullion loans	(33,421)	-
Increase/(decrease) in bills payable	671	(921)
Repayment of finance leases	-	(139)
Payment of principal portion of lease liabilities	(4,678)	-
New pledged fixed deposits with banks	(1,024)	(1,500)
Dividends paid	(1,225)	(1,225)
<b>Net cash flows generated from financing activities</b>	365	19,721
Net increase/(decrease) in cash and cash equivalents	1,217	(1,061)
Net effect of exchange rates changes on the cash balance held in foreign currencies	(89)	54
Cash and cash equivalents at beginning of the financial period/year	10,029	11,036
<b>Cash and cash equivalents at end of the financial period/year (Note 17)</b>	11,157	10,029

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

# CONSOLIDATED CASH FLOW STATEMENT

For the financial period from 1 April 2019 to 30 June 2020

## **Note to the consolidated cash flow statement**

### **(i) Loss on disposal of property, plant and equipment**

During the financial year, the Group disposed property, plant and equipment with a carrying amount of \$Nil (2019: \$61,000). Cash proceeds of \$Nil (2019: \$38,000) were received on disposal of the property, plant and equipment.

### **(ii) Purchase of property, plant and equipment**

During the year, the Group acquired property, plant and equipment of \$1,545,000 (2019: \$6,752,000) (Note 13). The additions include paid amounts of \$1,472,000 (2019: \$6,712,000), additions to reinstatement costs of \$73,000 (2019: \$40,000).

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 1. Corporate information

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

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

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

During the period, the Company has changed its financial year end from 31 March to 30 June. Accordingly, these financial statements cover the period from 1 April 2019 to 30 June 2020. The comparatives cover the period from 1 April 2018 to 31 March 2019.

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

Name of subsidiary	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest	
			2020	2019
<b>Held by the Company:</b>				
Taka Jewellery Pte Ltd <sup>(i)</sup>	Wholesale and retail of jewellery	Singapore	100	100
Voi Hong Kong Limited <sup>(ii)</sup>	General trading and wholesaling	Hong Kong	100	100
Elite Equity Pte Ltd <sup>(i)</sup>	Investment holding	Singapore	100	100
Equity Fintech Pte Ltd <sup>(i)</sup>	Investment holding	Singapore	100	100
<b>Held by Taka Jewellery Singapore Pte Ltd:</b>				
Voi Jewellery Pte Ltd <sup>(i)</sup>	Wholesale of jewellery	Singapore	100	100
Top Cash Jewellery Pte Ltd <sup>(i)</sup>	Retail of secondhand jewellery	Singapore	100	100
Top Cash Pte Ltd <sup>(i)</sup>	Pawnbroking	Singapore	100	100
Lovis Diamonds Pte Ltd <sup>(i)</sup>	Retail of jewellery	Singapore	100	100
Taka Jewellery (Hong Kong) Limited <sup>(iii)</sup>	Wholesale of jewellery	Hong Kong	100	100
Taka Jewellery LLC *	Dormant *	Dubai	-	100*
Taka Bullion Pte Ltd <sup>(i)</sup>	Gold bullion broker and trader	Singapore	100	100
<b>Held by Taka Jewellery (Hong Kong) Limited:</b>				
Taka Hong Kong Venture Limited <sup>(ii)</sup>	Investment holding	Hong Kong	70	70
Maoming Gaoda Zhubao Co. Ltd <sup>(iv)</sup>	Wholesale of jewellery	China	100	100
<b>Held by Elite Equity Pte Ltd:</b>				
Top Cash Pawnshop Pte Ltd <sup>(i)</sup>	Pawnbroking	Singapore	100	100
<b>Held by Equity Fintech Pte Ltd:</b>				
BizFintech Pte Ltd <sup>(i)</sup>	Secured lending	Singapore	100	100

\* The Company has 49% legal interest in Taka Jewellery LLC. Pursuant to the investment agreement entered into, the Company is deemed to have 100% effective interest in Taka Jewellery LLC. Taka Jewellery LLC has been liquidated in the financial period ended 30 June 2020.

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

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

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

(iv) Not required to be audited by law of the country of incorporation.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

### 2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2019. Except for the adoption of SFRS(I) 16 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

#### SFRS(I) 16 Leases

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 does not have an impact for leases where the Group is the lessor.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Accordingly, the comparative information presented for 2019 is not restated. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

The effect of adopting SFRS(I) 16 as at 1 April 2019 was as follows:

	<b>Increase/ (decrease) \$'000</b>
Right-of-use assets	7,888
Fixed assets	(980)
Lease liabilities	7,251
Loans and borrowings	(315)
Other payables	(28)

The Group has lease contracts for retail outlets. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.15.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.15. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

#### *Leases previously classified as finance leases*

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance lease. The requirements of SFRS(I) 16 were applied to these lease from 1 April 2019.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.2 Adoption of new and amended standards and interpretations (cont'd)

#### SFRS(I) 16 Leases (cont'd)

##### *Leases previously accounted for as operating leases*

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics
- relied on its assessment of whether leases are onerous immediately before the date of initial application
- applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	<b>\$'000</b>
Operating lease commitments at 31 March 2019	6,243
Less:	
Commitments relating to short-term leases	(234)
Add:	
Commitments relating to non-lease components	284
Commitments relating to option to renew	1,048
	7,341
Weighted average incremental borrowing rate at 1 April 2019	3.6%
Discounted operating lease commitments at 1 April 2019	6,936
Add:	
Commitments relating to leases previously classified as finance leases	315
Lease liabilities at 1 April 2019	7,251

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
SFRS(I) 17 <i>Insurance Contracts</i>	1 January 2021
Amendment to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendment to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendment to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s:	
- Amendment to SFRS(I): <i>First-time Adoption of SFRS(I)</i>	1 January 2022
- Amendment to SFRS(I) 9: <i>Financial Instruments</i>	1 January 2022
- Amendment to SFRS(I) 1-41: <i>Agriculture</i>	1 January 2022
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

The Group has early adopted Amendment to SFRS(I) 16: *Covid-19-Related Rent Concessions* in the financial period ended 30 June 2020. The early adoption of the amendment did not have any material effect on the financial performance or position of the Group.

### 2.4 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) Sale of jewellery

Revenue from sale of jewellery is recognised upon satisfaction of the identified performance obligation, which generally coincides with delivery and acceptance of promised goods sold, net of discounts, returns and applicable goods and services tax. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

#### (b) Interest income from financial services

Interest income from financial services mainly relates to interest income from pawnbroking and secured lending and they are recognised on a time-proportion basis using the effective interest method.

#### (c) Dividend income

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

#### (d) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.5 Basis of consolidation and business combinations

#### (a) Basis of consolidation

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

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

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

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

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

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### (b) Business combinations

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

### 2.6 Foreign currency

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.6 Foreign currency (cont'd)

#### (a) Transactions and balances

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

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

#### (b) Consolidated financial statements

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

### 2.7 Subsidiaries

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

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

### 2.8 Associate

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.8 Associate (cont'd)

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

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

### 2.9 Property, plant and equipment

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

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the property, plant and equipment as follows:

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

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

### 2.10 Intangible assets

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

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

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

#### Trademarks

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

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

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

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

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

### 2.12 *Financial instruments*

#### (a) *Financial assets*

##### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

#### (i) *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

##### De-recognition

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.12 *Financial instruments (cont'd)*

#### (b) *Financial liabilities*

##### Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### Subsequent measurement

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

Financial liabilities that are carried at fair value through profit or loss are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

##### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.13 *Financial guarantees*

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

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

### 2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### *Loans and related interest receivable from the Group's financial services business*

The Group uses the general approach and estimates for lifetime ECLs on the loans and related interest receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contractual terms of the loans and all the cash flows that the Group expects to receive from the sale of collateral held.

For pawnshop loans, the Group considers a financial asset in default upon non-redemption of pawn articles leading to termination of the pawn contracts and forfeiture of the collateral held by the Group. The Group estimates the probability of default based on historical experience of terminated contracts and consideration of forward-looking factors.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.14 Impairment of financial assets (cont'd)

#### *Trade receivables from the Group's jewellery business*

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its evaluation of debt collectability, analysis of historical write-offs and credit losses, aging analysis of trade receivables and consideration of forward-looking factors specific to the debtors and economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.15 Leases

These accounting policies are applied on and after the initial application date of SFRS(I) 16, 1 April 2019:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **As lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Retail outlets	-	lower of lease period or 5 years
Motor vehicles	-	10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the remaining lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.15 Leases (cont'd)

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### **As lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Rental income is accounted for on a straight-line basis over the lease terms.

These accounting policies are applied before the initial application of SFRS(I) 16, 1 April 2019:

#### **As lessee**

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

#### **As lessor**

The accounting policy applicable to the Group as lessor in the comparative period was the same as under SFRS(I) 16.

### 2.16 Inventories

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

- Raw materials: purchase costs on a weighted average basis.
- Finished goods: cost of raw materials and labour, determined on specific identification basis.

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

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

### 2.17 Taxes

#### (a) **Current income tax**

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

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

#### (b) **Deferred tax**

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.17 Taxes (cont'd)

#### (b) *Deferred tax (cont'd)*

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

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

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

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

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.18 *Share capital and share issue expenses*

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

### 2.19 *Provisions*

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

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

### 2.20 Employee benefits

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

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

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

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

### 2.21 *Cash and cash equivalents*

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

### 2.22 *Government grants*

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

### 2.23 *Segment reporting*

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

The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.24 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### 2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

### 2.26 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

## 3. Significant accounting judgements and estimate

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

### 3.1 Key sources of estimation uncertainty

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

#### *Allowance for impairment of trade receivables*

The Group uses a provision matrix to calculate ECLs for its trade receivables from exhibition jewellery sales. The provision matrix is based on the Group's evaluation of collectability, analysis of historical observed default rates and aging analysis of trade receivables. The Group will calibrate the matrix to adjust for forward-looking factors specific to the debtors and economic factors that may affect the recoverability of the trade receivables. At each reporting date, the historical observed default rates are updated and changes in the forward-looking factors are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

In assessing the ultimate realisation of the trade receivables, the Group also considers the current creditworthiness and past collection history of its customers. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional specific allowances may be required. The carrying amount of the Group's trade receivables at the end of the reporting period is disclosed in Note 16 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 3. Significant accounting judgements and estimate (cont'd)

### 3.1 Key sources of estimation uncertainty (cont'd)

#### Allowance for inventory obsolescence

The Group periodically assesses the allowance for inventory obsolescence. When the inventories are deemed not saleable, the difference between net realisable value and cost is recognised as an allowance against the inventory balance. The Group assesses the market and economic conditions prevailing at the reporting date, where the appropriate amount of allowance is determined by considering the age of inventories, market prices for gold, expected and current demand and rework costs. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 15 to the financial statements.

## 4. Revenue

	<b>Group</b>	
	<b>1.4.2019 to 30.6.2020 \$'000</b>	<b>1.4.2018 to 31.3.2019 \$'000</b>
Sale of jewellery (Revenue recognised at a point in time)	111,022	117,235
Interest income from financial services	3,099	1,801
	<u>114,121</u>	<u>119,036</u>

## 5. Other operating income

	<b>Group</b>	
	<b>1.4.2019 to 30.6.2020 \$'000</b>	<b>1.4.2018 to 31.3.2019 \$'000</b>
Government grants	1,170	127
Sundry income	115	50
Rental income	155	48
Rent rebate	775	-
	<u>2,215</u>	<u>225</u>

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

## 6. Finance costs

	<b>Group</b>	
	<b>1.4.2019 to 30.6.2020 \$'000</b>	<b>1.4.2018 to 31.3.2019 \$'000</b>
Interest expense on:		
- Bank loans	1,222	520
- Bills payable	30	16
- Finance leases	-	17
- Bullion loans	248	31
- Lease liabilities	385	-
	<u>1,885</u>	<u>584</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 7. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	<b>Group</b>	
	<b>1.4.2019 to 30.6.2020 \$'000</b>	<b>1.4.2018 to 31.3.2019 \$'000</b>
Employee compensation (Note 8)	13,031	11,839
Depreciation of right-of-use assets (Note 23)	4,919	–
Depreciation of property, plant and equipment (Note 13)	1,208	897
Loss on disposal of property, plant and equipment	–	23
Amortisation of trademarks (Note 14)	176	141
Net allowance for impairment of trade receivables (Note 16)	2,860	1,247
Net fair value loss on bullion loans designated as financial liabilities at fair value through profit or loss	2,961	58
Rental on operating leases (Note 28)	–	4,451
Net foreign currency exchange loss	525	6
Loss on disposal of associate	171	–
Audit fees:		
– Auditor of the Company	166	150
– Other auditors	6	5
Non-audit fees:		
– Other auditors	72	13

## 8. Employee compensation

	<b>Group</b>	
	<b>1.4.2019 to 30.6.2020 \$'000</b>	<b>1.4.2018 to 31.3.2019 \$'000</b>
Short-term employment benefits	11,981	10,946
Employer's contribution to Central Provident Fund	1,050	893
	<u>13,031</u>	<u>11,839</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 9. Income tax (credit)/expense

### Major components of income tax (credit)/expense

The major components of income tax (credit)/expense for the financial period/year ended are:

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
<b>Statement of comprehensive income:</b>		
<i>Current income tax</i>		
Current year	167	563
Under/(over)-provision in previous years	20	(26)
<i>Deferred income tax</i>		
Current year	(380)	(44)
Over-provision in previous years	-	(126)
Income tax (credit)/expense recognised in profit or loss	(193)	367

### Reconciliation between tax (credit)/expense and (loss)/profit before tax

The reconciliation between tax (credit)/expense and the product of (loss)/profit before tax multiplied by the applicable corporate tax rate for the financial period/year ended are as follows:

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
(Loss)/profit before tax	(586)	3,833
Tax at domestic rates applicable to profits in the countries where the Group operates	(107)	648
Adjustments:		
Non-deductible expenses	321	226
Income not subject to tax	(196)	-
Tax effect of partial tax exemption, tax relief, enhanced allowance and effect of double tax deduction*	(203)	(301)
Benefits from previously unrecognised tax assets	(8)	(1)
Deferred tax assets not recognised	-	2
Under/(over)-provision of income tax in previous years	20	(26)
Overprovision of deferred tax in previous years	-	(126)
Share of results of associate	(22)	(60)
Others	2	5
Income tax (credit)/expense recognised in profit or loss	(193)	367

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 10. (Loss)/earnings per share

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

	Group	
	30.6.2020 \$'000	31.3.2019 \$'000
(Loss)/profit for the period/year attributable to owners of the Company used in computation of earnings per share	(476)	3,503
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and diluted earnings per share	559,406,000	559,406,000

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

## 11. Investment in subsidiaries

	Company	
	2020 \$'000	2019 \$'000
Shares, at cost	82,076	82,076

Details of subsidiaries of the Group are disclosed in Note 1.

## 12. Investment in associates

	Group	
	30.6.2020 \$'000	31.3.2019 \$'000
Shares, at cost	2,500	3,148
Share of post-acquisition reserves	4,037	3,259
	6,537	6,407

Name of associates	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest	
			2020	2019
<i>Held through subsidiaries:</i>				
Globe Diamonds Pte Ltd <sup>(i)</sup>	Wholesale of diamonds	Singapore	50	50
Shimao Jewellery Maoming Co Ltd <sup>(ii)</sup>	Retail of jewellery	China	-	49

<sup>(i)</sup> Audited by MT & Partners LLP

<sup>(ii)</sup> Audited by Beijing Shuangdou Accounting Firm; the associate is held through the Group's 70% subsidiary, Taka Hong Kong Venture Limited

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 12. Investment in associates (cont'd)

The summarised financial information of Globe Diamonds Pte Ltd, based on its SFRS(I) financial statements including consolidation adjustments, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
<b>Summarised balance sheet</b>		
Non-current assets	13,583	6,763
Current assets	11,834	13,403
Total assets	25,417	20,166
Non-current liabilities	10,287	4,451
Current liabilities	2,057	3,947
Total liabilities	12,344	8,398
Net assets	13,073	11,768
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing carrying amount of investment	6,537	5,884
<b>Summarised statement of comprehensive income</b>		
Revenue	16,054	21,443
Profit after tax	740	718
Other comprehensive income	564	214
Total comprehensive income	1,304	932

On 24 February 2020, the Board of Directors (the "Board" or "Directors") of TLV Holdings Limited (the "Company", together with its subsidiaries, the "Group"), announced that Taka Hong Kong Venture Limited ("Taka HK Venture"), a 70% owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Maoming Liutao Zhubao Chuangyi Chanye Co. Ltd 茂名六韬珠宝创意产业有限公司 ("MMLT" or the "Purchaser") for the disposal of its 49% equity interest in 茂名市世茂珠宝有限公司 ("Shimao Jewellery") (the "Disposal"). Taka HK Venture agreed to dispose its 49% in the existing paid-up capital ("Sale Shares") of Shimao Jewellery for a payment in kind amounting to RMB594,000 (approximately \$116,000) (the "Consideration"). The net asset value represented by such shares was \$122,000 as at 30 June 2019. Both parties agreed that the Consideration be satisfied by way of in-specie distribution of Shimao Jewellery's existing stock, at cost, from MMLT upon settlement of the assets and liabilities in Shimao Jewellery to existing shareholders based on the Shimao Jewellery's audited financial statement ended 30 June 2019. Upon completion of the Disposal on 12 March 2020, Shimao Jewellery ceased to be an associated company of Taka HK Venture and the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 12. Investment in associates (cont'd)

The share of net assets of Shimao Jewellery recorded in the consolidated financial statements and the effects of the disposal were:

	<b>Group 2020 \$'000</b>
<b><i>Summarised balance sheet</i></b>	
Non-current assets	19
Current assets	376
Total assets	<u>395</u>
Total liabilities	<u>146</u>
Net assets	<u>249</u>
Proportion of the Group's ownership	<u>49%</u>
Group's share of net assets	122
Goodwill on acquisition	<u>165</u>
Carrying amount of the investment	<u><u>287</u></u>
<u>Loss on disposal of associate</u>	
Distribution in specie	116
Carrying amount of investment de-recognised	<u>(287)</u>
Loss on disposal of associate	<u><u>(171)</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 12. Investment in associates (cont'd)

On 22 May 2018, Taka Hong Kong Venture Limited, a subsidiary of the Group, entered into a Sale and Purchase Agreement with Maoming Liutao Zhubao Chuangyi Chanye Co. Ltd ("MMLT") to acquire a 49% equity interest in 茂名市世茂珠宝有限公司 ("Shimao Jewellery") for a cash consideration of RMB1.96 million (S\$409,000). The acquisition is part of the Group's strategic plans of expanding to China markets. The Group subsequently subscribed for new shares issued by the associate for a cash consideration of S\$239,000.

The summarised financial information of the Shimao Jewellery, based on its SFRS(I) financial statements including consolidation adjustments, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	<b>Group 31.3.2019 \$'000</b>
<b>Summarised balance sheet</b>	
Non-current assets	173
Current assets	684
Total assets	857
Total liabilities	127
Net assets	730
Proportion of the Group's ownership	49%
Group's share of net assets	358
Goodwill on acquisition	165
Carrying amount of the investment	523
<b>Summarised statement of comprehensive income</b>	
Revenue	1,194
Loss after tax, representing total comprehensive income	(261)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 13. Property, plant and equipment

Group	Leasehold properties \$'000	Furniture and fittings and office equipment \$'000	Motor vehicles \$'000	Renovation \$'000	Total \$'000
<b>Cost</b>					
At 1 April 2018	4,515	1,253	2,094	1,402	9,264
Additions	6,235	187	-	330	6,752
Write off	-	(27)	-	(20)	(47)
Disposals	-	-	(89)	-	(89)
At 31 March 2019 and 1 April 2019	10,750	1,413	2,005	1,712	15,880
Effect of adoption of SFRS(I) 16	-	-	(1,349)	-	(1,349)
At 1 April 2019 (restated)	10,750	1,413	656	1,712	14,531
Additions	-	590	-	955	1,545
Write off	-	(82)	-	(277)	(359)
At 30 June 2020	10,750	1,921	656	2,390	15,717
<b>Accumulated depreciation</b>					
At 1 April 2018	1,622	950	527	992	4,091
Charge for the year	208	177	209	303	897
Write off	-	(27)	-	(20)	(47)
Disposals	-	-	(28)	-	(28)
At 31 March 2019 and 1 April 2019	1,830	1,100	708	1,275	4,913
Effect of adoption of SFRS(I) 16	-	-	(369)	-	(369)
At 1 April 2019 (restated)	1,830	1,100	339	1,275	4,544
Charge for the period	324	285	91	508	1,208
Write off	-	(82)	-	(277)	(359)
At 30 June 2020	2,154	1,303	430	1,506	5,393
<b>Net carrying amount</b>					
At 30 June 2020	8,596	618	226	884	10,324
At 31 March 2019	8,920	313	1,297	437	10,967

Leasehold properties with a carrying amount of \$6,686,000 (2019: \$6,955,000) is pledged to secure the Group's bank borrowings (Note 18).

Additions for the year include capitalisation of provision for reinstatement cost of \$73,000 (2019: \$40,000) (Note 22).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 14. Trademarks

	<b>Group \$'000</b>
<b>Cost</b>	
As at 1 April 2018, 31 March 2019, 1 April 2019 and 30 June 2020	1,408
<b>Accumulated amortisation</b>	
As at 1 April 2018	563
Charge for the year	141
As at 31 March 2019 and 1 April 2019	704
Charge for the period	176
As at 30 June 2020	880
<b>Net carrying value</b>	
As at 30 June 2020	528
As at 31 March 2019	704

Trademarks relate to the "Taka Jewellery" trademarks. The remaining useful life of these trademarks is approximately 4 (2019: 5) years.

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

## 15. Inventories

	<b>Group</b>	
	<b>30.6.2020</b>	<b>31.3.2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance sheet:</b>		
Finished goods and goods for resale, at cost	60,744	51,666
Raw materials, at cost	30,311	34,973
Less: Allowance for obsolete inventories	(2)	(2)
Total inventories at lower of cost and net realisable value	91,053	86,637
<b>Consolidated statement of comprehensive income:</b>		
Inventories recognised as an expense in cost of sales	84,286	89,479

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 16. Trade and other receivables

	Group		Company	
	30.6.2020 \$'000	31.3.2019 \$'000	30.6.2020 \$'000	31.3.2019 \$'000
<b>Non-current</b>				
Rental deposits	912	719	-	-
<b>Current</b>				
Trade receivables:				
Third parties	51,338	53,496	-	-
Other receivables:				
Third parties	552	565	2	-
Deposits	552	1,125	-	-
Advances to suppliers	706	813	-	-
Amount due from subsidiary	-	-	13,050	14,500
	1,810	2,503	13,052	14,500
Total current receivables	53,148	55,999	13,052	14,500
Total trade and other receivables	54,060	56,718	13,052	14,500
Add/(less):				
Advances to suppliers	(706)	(813)	-	-
Cash and cash equivalents (Note 17)	13,681	11,529	1,428	2,419
GST receivable	(2)	-	(2)	-
Grant receivable	(361)	-	-	-
Total financial assets carried at amortised cost	66,672	67,434	14,478	16,919

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

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

Trade and other receivables denominated in foreign currencies at the end of the financial period/year are as follows:

	Group	
	30.6.2020 \$'000	31.3.2019 \$'000
United States Dollars	22,421	32,572
Hong Kong Dollars	199	88

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 16. Trade and other receivables (cont'd)

### *Expected credit losses*

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	<b>30.6.2020</b>	<b>31.3.2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Movement in allowance accounts:		
At beginning of period/year	4,847	3,915
Charge for the period/year	2,990	1,434
Write-back	(130)	(187)
Written off	(6)	(312)
Exchange differences	-	(3)
	<hr/>	<hr/>
At end of period/year	<u>7,701</u>	<u>4,847</u>

## 17. Cash and bank balances

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2020</b>	<b>31.3.2019</b>	<b>30.6.2020</b>	<b>31.3.2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fixed deposits pledged with banks	2,524	1,500	-	-
Cash at bank	9,784	9,333	1,428	2,419
Cash on hand	1,373	696	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>13,681</u>	<u>11,529</u>	<u>1,428</u>	<u>2,419</u>

Fixed deposits are pledged for bank borrowings and bear interest at 0.75% to 1.36% (2019: 1.34% to 1.65%) per annum.

A floating charge has been placed on cash and bank balances with a carrying value of \$1,254,000 (2019: \$593,000) as security for bank borrowings (Note 18).

Cash and bank balances denominated in foreign currencies as at the end of the financial period/year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2020</b>	<b>31.3.2019</b>	<b>30.6.2020</b>	<b>31.3.2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
United States Dollars	1,211	1,150	-	-
Hong Kong Dollars	354	10	-	-
Chinese Renminbi	76	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

	<b>Group</b>	
	<b>30.6.2020</b>	<b>31.3.2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	9,784	9,333
Cash on hand	1,373	696
	<hr/>	<hr/>
Cash and cash equivalents	<u>11,157</u>	<u>10,029</u>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 18. Loans and borrowings

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
<b>Current</b>		
Bills payable	675	-
Revolving loans	22,000	13,500
Floating rate term loans	4,274	3,743
Fixed rate term loan	104	-
Finance leases	-	139
	27,053	17,382
<b>Non-current</b>		
Floating rate term loans	9,334	10,020
Fixed rate term loan	4,896	-
Finance leases	-	176
	14,230	10,196
Total loans and borrowings	41,283	27,578

*Bills payable, revolving loans, floating rate term loans and fixed rate term loan*

Bills payable bears an interest rate of 2.54% (2019: Nil%) per annum and are repayable within 120 days (2019: Nil days). Bills payable are denominated in United States Dollars.

Revolving loans bear interest at rates ranging from 1.50% to 1.90% (2019: 3.09% to 3.33%) per annum. The revolving loans are due for repayment within the next one month from the end of the reporting period.

Floating rate term loans bear interest at rates ranging from 1.90% to 3.53% (2019: 2.28% to 3.59%) per annum. The loans mature between 1 to 23 (2019: 1 to 24) years as at 30 June 2020. Floating rate term loans amounting to \$4,556,000 (2019: \$4,773,000) are secured by first mortgage over leasehold properties (Note 13) owned by the Group.

Fixed rate term loans bear interest at rate at 2.25% (2019: Nil%) per annum and is expected to be fully repaid by June 2024.

Certain bank borrowings are secured by pledge of fixed deposits and floating charge on the subsidiary's cash and bank balances as disclosed in Note 17.

All bank borrowings are secured by corporate guarantee from the Company. An amount of \$14,000,000 (2019: \$10,000,000) is also secured by corporate guarantee from a subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 18. Loans and borrowings (cont'd)

### Finance leases

Finance leases are secured by a charge over the leased motor vehicles (Note 13). The average discount rate implicit in the leases is Nil% (2019: 2.46%) per annum.

Finance lease liabilities were reclassified to lease liabilities on 1 April 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.2.

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

	1.4.2019 \$'000	Cash flows \$'000	Non-cash changes				30.6.2020 \$'000
			Addition \$'000	Accretion of interest \$'000	Fair value loss \$'000	Other \$'000	
Revolving loans	13,500	7,833	-	667	-	-	22,000
Bills payable	-	641	-	30	-	4	675
Floating rate term loans							
- Current	3,743	(2,632)	-	491	-	2,672	4,274
- Non-current	10,020	1,922	-	64	-	(2,672)	9,334
Fixed rate term loan							
- Current	-	104	-	-	-	-	104
- Non-current	-	4,896	-	-	-	-	4,896
Lease liabilities (Note 23)							
- Current	2,806	(4,421)	1,938	344	-	3,708	4,375
- Non-current	4,445	(642)	3,713	41	-	(3,708)	3,849
Bullion loans (Note 19)	6,836	(6,972)	-	248	2,961	(18)	3,055
<b>Total</b>	<b>41,350</b>	<b>729</b>	<b>5,651</b>	<b>1,885</b>	<b>2,961</b>	<b>(14)</b>	<b>52,562</b>

	1.4.2018 \$'000	Cash flows \$'000	Non-cash changes			31.3.2019 \$'000
			Fair value loss \$'000	Other \$'000		
Revolving loans	9,000	4,500	-	-	-	13,500
Floating rate term loans						
- Current	1,261	(1,571)	-	4,053	-	3,743
- Non-current	273	13,800	-	(4,053)	-	10,020
Finance leases						
- Current	139	(139)	-	139	-	139
- Non-current	315	-	-	(139)	-	176
Bullion loans (Note 19)	-	6,778	58	-	-	6,836
<b>Total</b>	<b>10,988</b>	<b>23,368</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>34,414</b>

'Other' column relates to reclassification of non-current portion of loans and borrowings due to passage of time and effect of foreign exchange on loans and borrowings denominated in foreign currencies.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 19. Bullion loans

Bullion loans were borrowed to reduce the impact of fluctuation of bullion prices on bullion inventories. Bullion loans are designated as financial liabilities at fair value through profit or loss as they are managed and their performance are evaluated on a fair value basis.

The bullion loans are pegged to market bullion prices, carries fixed interest rate ranging from 2.5% to 2.8% (2019: 2.3%) per annum and are due for repayment within 3 months.

The bullion loans are denominated in United States Dollars.

## 20. Trade and other payables

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
<b>Non-current</b>				
Provision for reinstatement cost (Note 22)	257	175	-	-
<b>Current</b>				
Trade payables:				
Third parties	23,066	25,833	-	-
Associates	5,067	5,257	-	-
	28,133	31,090	-	-
Other payables:				
Third parties	239	769	2	56
Accrued expenses	2,018	2,795	9	939
Provision for reinstatement cost (Note 22)	30	100	-	-
Total current trade and other payables	30,420	34,754	11	995
Total trade and other payables	30,677	34,929	11	995
Add/(less):				
Loans and borrowings (Note 18)	41,283	27,578	-	-
Lease liabilities (Note 23)	8,224	-	-	-
GST payable	(150)	-	-	-
Provision for reinstatement cost (Note 22)	(287)	(275)	-	-
Total financial liabilities at amortised cost	79,747	62,232	11	995

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

Trade and other payables denominated in foreign currencies at the end of the financial period/year are as follows:

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
United States Dollars	27,522	27,490
Hong Kong Dollars	-	628

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 21. Deferred tax

Group	Property, plant and equipment	Intangible assets	Leases	Provisions	Unutilised items	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2018	(214)	(144)	-	647	-	289
Recognised in profit or loss	134	24	-	12	-	170
At 31 March 2019 and 1 April 2019	(80)	(120)	-	659	-	459
Recognised in profit or loss	40	30	42	(115)	383	380
At 30 June 2020	(40)	(90)	42	544	383	839
Represented by:						
	<b>30.6.2020</b>	<b>31.3.2019</b>				
Deferred tax assets	841	459				
Deferred tax liabilities	(2)	-				
	<u>839</u>	<u>459</u>				

At the end of the reporting period, the subsidiaries of the Group have unutilised tax losses of approximately \$107,000 (2019: \$44,000) that are available for offset against future taxable profits of these subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability. The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation.

## 22. Provision for reinstatement cost

	Group	
	30.6.2020 \$'000	31.3.2019 \$'000
At beginning of period/year	275	255
Additions (Note 13)	73	40
Utilisation	(61)	(20)
At end of period/year	<u>287</u>	<u>275</u>
Comprise:		
Current	30	100
Non-current	257	175
Total provision for reinstatement cost (Note 20)	<u>287</u>	<u>275</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 23. Leases

### *Group as a lessee*

The Group has lease contracts for retail and office premise and motor vehicles. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options and variable lease payments which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less and leases of equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption for these leases.

#### (a) *Right-of-use assets*

Group	Retail and office premise \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>			
At 1 April 2019	6,908	1,349	8,257
Additions	5,651	-	5,651
Disposal	(603)	-	(603)
At 30 June 2020	11,956	1,349	13,305
<b>Accumulated depreciation</b>			
At 1 April 2019	-	369	369
Charge for the period	4,750	169	4,919
Disposal	(603)	-	(603)
At 30 June 2020	4,147	538	4,685
<b>Net carrying amount</b>			
At 30 June 2020	7,809	811	8,620
At 1 April 2019	6,908	980	7,888

#### (b) *Lease liabilities*

	Group 30.6.2020 \$'000
Current	4,375
Non-current	3,849
	8,224

The movement of lease liabilities during the period are disclosed in Note 18. The maturity analysis of lease liabilities is disclosed in Note 30.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 23. Leases (cont'd)

### (c) Amounts recognised in profit or loss

	<b>Group 30.6.2020 \$'000</b>
Depreciation of right-of-use assets	4,919
Interest expense on lease liabilities	385
Lease expenses not capitalised in lease liabilities	
- Expenses relating to short-term leases	579
- Expenses relating to variable leases	254
	<hr/>
Total amount recognised in profit or loss	<u>6,137</u>

### (d) Total cash outflow

The Group had total cash outflows for leases of \$5,896,000 in 2020.

### (e) Extension options

The Group has several lease contracts that includes extension options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	<b>Group 30.6.2020</b>		
	<b>Within five years \$'000</b>	<b>More than five years \$'000</b>	<b>Total \$'000</b>
Extension options expected not to be exercised	2,145	314	2,459
	<hr/> <hr/>		

### Group as lessor

The Group has entered into operating lease on its leasehold property (Note 13). These non-cancellable leases have remaining lease terms of Nil (2019: less than three) years. Rental income from leasehold property is disclosed in Note 5.

The future minimum rental receivables under non-cancellable operating leases contracted for at the reporting period are as follows:

	<b>Group</b>	
	<b>30.6.2020 \$'000</b>	<b>31.3.2019 \$'000</b>
Within 1 year	-	60
After 1 year but within 5 years	-	90
	<hr/>	
	-	150
	<hr/> <hr/>	

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 24. Share capital

	Group and Company			
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	Number of shares		\$'000	\$'000
<i>Issued and fully paid ordinary shares:</i>				
At beginning and end of financial period/year	565,506,000	565,506,000	96,719	96,719

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

## 25. Treasury shares

	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	Number of shares		\$'000	\$'000
At beginning and end of period/year	6,100,000	6,100,000	698	698

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

## 26. Dividends

	Group and Company	
	30.6.2020	31.3.2019
	\$'000	\$'000
<b>Declared and paid during the financial period/year:</b>		
<i>Dividend on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2020: 0.219 cents (2019: 0.219 cents) per share	1,225	1,225
<b>Proposed but not recognised as a liability as at the end of the financial period/year:</b>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>		
- Final exempt (one-tier) dividend for 2020: Nil cents (2019: 0.219 cents) per share	-	1,225

## 27. Related party transactions

### (a) Significant related party transactions

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

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Sale of goods to associate	36	134
Purchases of goods from associate	15,111	10,535

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 27. Related party transactions (cont'd)

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

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

	<b>Group</b>	
	<b>30.6.2020</b>	<b>31.3.2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employment benefits	2,977	2,593
Employer's contributions to Central Provident Fund	83	79
	3,060	2,672
Comprise amounts paid to:		
Directors of the Company	2,296	1,946
Other key management personnel	764	726
	3,060	2,672

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

## 28. Commitments

### (a) *Operating lease commitments - as lessee*

The Group leases retail outlets from non-related parties under non-cancellable operating lease agreements. The leases have an average tenure of 1 to 5 years, with escalation.

The operating lease expense incurred by the Group is \$4,451,000 of which includes contingent rent expenses of \$292,000. Contingent rent is determined based on a percentage of each retail outlet's monthly gross turnover.

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

	<b>Group</b>
	<b>31.3.2019</b>
	<b>\$'000</b>
Within 1 year	2,869
After 1 year but within 5 years	3,374
	6,243

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 30 June 2020, except for short-term and low-value leases.

### (b) *Operating lease commitments - as lessor*

The Group's operating lease commitments as lessor as disclosed in Note 23.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 28. Commitments (cont'd)

### (c) Finance lease commitments

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

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

	<b>Group 31.3.2019 \$'000</b>	
	<b>Minimum payments</b>	<b>Present value of payments</b>
Within 1 year	156	139
After 1 year but within 5 years	198	176
Total minimum lease payments	354	315
Less: amounts representing finance charges	(39)	-
Present value of minimum lease payments	<u>315</u>	<u>315</u>

Finance lease liabilities were reclassified to lease liabilities on 1 April 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.2.

## 29. Contingent liabilities

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2020 \$'000</b>	<b>31.3.2019 \$'000</b>	<b>30.6.2020 \$'000</b>	<b>31.3.2019 \$'000</b>
Secured bank loan and credit facilities granted to an associate	10,758	4,522	-	-
Secured bank loan and credit facilities granted to subsidiaries	-	-	58,338	34,397

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

## 30. Financial risk management objectives and policies

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

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

### (a) Credit risk

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

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments when they fall due and there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are classes of financial assets that are exposed to credit risk:

#### *Trade receivables from the Group's financial services business*

Pawnshop loans and secured lending receivables are collateralised whereby the quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

The Group uses a provision matrix to estimate the allowance for expected credit losses for these loans. The key inputs of the ECL model are the probability of default and loss given default. For pawnshop loans, the Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

#### *Trade receivables from the Group's jewellery business*

The Group applies the simplified approach and recognises a loss allowance based on lifetime ECLs at each reporting date. Trade receivables that are credit impaired are assessed for impairment by making debtor-specific assessment. The ECL model considers the Group's assessment of the collectability, analysis of historical analysis and credit losses, and aging analysis of trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

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

*Trade receivables from the Group's jewellery business (cont'd)*

Summarised below is the information about the credit risk exposure on the Group's trade receivables from the group's jewellery business using provision matrix.

30.6.2020	Not past due \$'000	Less than 1 year \$'000	1-2 years \$'000	2-3 years \$'000	More than 3 years \$'000	Total \$'000
Gross carrying amount	576	11,230	9,909	3,828	5,137	30,680
Loss allowance	(7)	(211)	(587)	(1,743)	(5,122)	(7,670)

*Amount due from subsidiary*

The Company assessed that there is no indication of a significant deterioration in credit risk based on the financial performance of its subsidiary. The Company uses the general approach and recognises loss allowance based on 12-month ECL on the financial asset.

Information regarding the loss allowance provision as at 30 June 2020 and 31 March 2019 are disclosed in Note 16.

#### Exposure to credit risk

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

#### Credit risk concentration profile

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

	Group	
	30.6.2020 \$'000	31.3.2019 \$'000
<u>Business segment</u>		
Retail	200	199
Exhibitions	22,810	31,583
Financial services	28,328	21,714
	<u>51,338</u>	<u>53,496</u>

There is a single debtor within the exhibitions segment whose trade receivables represented 23% (2019: 24%) of total trade receivables for the financial year ended 30 June 2020.

### (b) Liquidity risk

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

The Group's liquidity risk management policy is that to maintain sufficient liquid financial assets and short term loan facilities with different banks and business alliances. At the end of the reporting period, approximately 66% (2019: 63%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

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

#### Analysis of financial instruments by remaining contractual maturities

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

	Group \$'000			Total
	One year or less	One to five years	Over five years	
<b>30.6.2020</b>				
<b>Financial liabilities:</b>				
Trade and other payables	30,240	–	–	30,240
Loans and borrowings	27,623	12,119	5,565	45,307
Bullion loans	3,064	–	–	3,064
Lease liabilities	4,581	4,449	–	9,030
Total undiscounted financial liabilities	<u>65,508</u>	<u>16,568</u>	<u>5,565</u>	<u>87,641</u>
<b>31.3.2019</b>				
<b>Financial liabilities:</b>				
Trade and other payables	34,654	–	–	34,654
Loans and borrowings	24,648	7,776	5,935	38,359
Bullion loans	6,873	–	–	6,873
Total undiscounted financial liabilities	<u>66,175</u>	<u>7,776</u>	<u>5,935</u>	<u>79,886</u>

At the end of the reporting period, all of the Company's financial liabilities will mature in less than one year based on the carrying amounts reflected in the financial statements.

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

	30.6.2020 \$'000				31.3.2019 \$'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
<b>Group</b>								
Financial guarantees	1,097	1,956	7,705	10,758	219	921	3,382	4,522
<b>Company</b>								
Financial guarantees	44,109	10,729	3,500	58,338	24,378	6,460	3,559	34,397

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

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

### (c) Interest rate risk

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

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

#### Sensitivity analysis for interest rate risk

At 30 June 2020, if interest rates had been 100 basis points lower/higher with all other variables held constant, the Group's (loss)/profit before tax would have been approximately \$223,000 (2019: \$273,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

### (d) Foreign currency risk

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

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. As at 30 June 2020 and 31 March 2019, such foreign currency balances have been disclosed in Note 17.

#### Sensitivity analysis for foreign currency risk

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

	<b>Group</b>	
	<b>(Loss) before tax (Increase)/ decrease</b>	<b>Profit before tax Increase/ (decrease)</b>
	<b>30.6.2020</b>	<b>31.3.2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Against SGD</b>		
USD		
- strengthened 1% (2019: 1%)	(76)	(6)
- weakened 1% (2019: 1%)	76	6
HKD		
- strengthened 1% (2019: 1%)	10	(5)
- weakened 1% (2019: 1%)	(10)	5

### (e) Commodity price risk

The bullion market is influenced by global as well as regional supply and demand conditions. A significant decline in prices of bullion could adversely affect the Group's financial performance. In order to reduce the commodity price risk, the Group uses bullion loans to reduce its exposure to fluctuation in the bullion prices on bullion inventories. The bullion price exposures are monitored by management.

A 10% increase/decrease in market prices of bullion at 30 June 2020 would decrease/increase the Group's (loss)/profit before tax by \$306,000 (2019: \$684,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 31. Fair values of financial instruments

### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are 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.

### (b) Liabilities measured at fair value

The following table shows an analysis of each class of liabilities measured at fair value at the end of the financial year:

Group	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
<b>30 June 2020</b>				
<i>Liabilities measured at fair value</i>				
<u>Financial liabilities</u>				
<i>At fair value through profit or loss</i>				
- Bullion loans (Note 19)	3,055	-	-	3,055
<b>31 March 2019</b>				
<i>Liabilities measured at fair value</i>				
<u>Financial liabilities</u>				
<i>At fair value through profit or loss</i>				
- Bullion loans (Note 19)	6,836	-	-	6,836

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

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

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

#### (ii) Loans and borrowings and lease liabilities

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 31. Fair values of financial instruments (cont'd)

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

	Group			
	30.6.2020		31.3.2019	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
Rental deposits (non-current)	912	871	719	659

## 32. Capital management

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

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

The Group's capital management is dependent on capital requirements of the business or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Group's structure. No changes were made in the objectives, policies or processes during the period/year ended 30 June 2020 and 31 March 2019.

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

	Group	
	30.6.2020 \$'000	31.3.2019 \$'000
Loans and borrowings (Note 18)	41,283	27,578
Bullion loans (Note 19)	3,055	6,836
Lease liabilities (Note 23)	8,224	-
Less: Cash and bank balances (Note 17)	(13,681)	(11,529)
Net debt	38,881	22,885
Equity attributable to the owners of the Company	102,215	103,599
Capital and net debt	141,096	126,484
Gearing ratio	27.6%	18.1%

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 33. Segment information

The Group has organised its businesses into three broad segments based on the Group's current management reporting structure and nature of operations. The Group's business segments are as follows:

(a) **Exhibitions**

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

(b) **Retail**

This relates to the sale of jewellery to customers at retail outlets, promotional events and headquarters.

(c) **Financial services**

This relates to the existing pawn-broking business and the new secured lending business. Due to the expansion and growth of the segment, the management now monitors the operating results separately.

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

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

\$'000	As at 30 June 2020					
	Exhibitions	Retail	Financial Services	Unallocated	Elimination	Total
<b>Segment revenue:</b>						
External sales	49,040	61,982	3,099	-	-	114,121
Intersegment sales	-	668	934	-	(1,602)	-
Total revenue	49,040	62,650	4,033	-	(1,602)	114,121
<b>Results:</b>						
Segment results	4,528	1,830	1,062	-	-	7,420
Unallocated expenses (net)	-	-	-	(6,255)	-	A (6,255)
Finance costs	-	(342)	(442)	(1,101)	-	(1,885)
Share of profit from associates	-	134	-	-	-	134
Profit/(loss) before tax	4,528	1,622	620	(7,356)	-	(586)
Tax credit	-	-	-	193	-	193
Profit/(loss) after tax	4,528	1,622	620	(7,163)	-	(393)
<b>Segment assets and liabilities:</b>						
Segment assets	79,765	73,277	31,301	1,433	-	B 185,776
Segment liabilities	34,575	33,767	14,886	287	-	C 83,515
<b>Other segmental information:</b>						
Depreciation	258	832	118	-	-	1,208
Capital expenditure	148	1,144	253	-	-	1,545
Investment in associates	-	6,537	-	-	-	6,537
Non-current assets	7,828	19,167	767	-	-	27,762



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 33. Segment information (cont'd)

\$'000	As at 31 March 2019					
	Exhibitions	Retail	Financial Services	Unallocated	Elimination	Total
<b>Segment revenue:</b>						
External sales	57,685	59,550	1,801	-	-	119,036
Intersegment sales	-	-	902	-	(902)	-
Total revenue	57,685	59,550	2,703	-	(902)	119,036
<b>Results:</b>						
Segment results	8,539	1,800	737	-	-	11,076
Unallocated expenses (net)	-	-	-	(6,890)	-	A (6,890)
Finance costs	-	-	-	(584)	-	(584)
Share of profit from associates	-	231	-	-	-	231
Profit before tax	8,539	2,031	737	(7,474)	-	3,833
Tax expense	-	-	-	(367)	-	(367)
Profit after tax	8,539	2,031	737	(7,841)	-	3,466
<b>Segment assets and liabilities:</b>						
Segment assets	81,439	66,150	23,190	2,787	-	B 173,566
Segment liabilities	27,334	30,970	10,154	1,546	-	C 70,004
<b>Other segmental information:</b>						
Depreciation	11	830	56	-	-	897
Capital expenditure	42	6,681	29	-	-	6,752
Investment in associates	-	6,407	-	-	-	6,407
Non-current assets	5,114	13,483	200	459	-	19,256

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

**A** Unallocated corporate expenses items amounting to \$6,255,000 (2019: \$6,890,000) mainly relates to distribution costs, administrative expenses and other operating expenses.

**B** Unallocated segment assets pertains to unallocated corporate assets items in the Company and deferred tax assets.

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

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Income tax payable	274	661
Deferred tax liabilities	2	-
Unallocated corporate trade and other payables	11	885
	287	1,546

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

## 33. Segment information (cont'd)

### *Geographical segment*

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

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

### *Information on major customers*

Revenue from one major customer amount to approximately \$1.4 million (2019: \$5.6 million), arising from the exhibitions segment.

## 34. Authorisation of financial statements

The financial statements for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors on 23 September 2020.

# STATISTICS OF SHAREHOLDINGS

As at 9 September 2020

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

There are no subsidiary holdings.

## STATISTICS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	12	6.19	7,100	0.00
1,001 - 10,000	37	19.07	248,000	0.05
10,001 - 1,000,000	124	63.92	19,993,000	3.57
1,000,001 AND ABOVE	21	10.82	539,157,900	96.38
TOTAL	194	100.00	559,406,000	100.00

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Shareholders	Direct Interest No of Shares	%	Deemed Interest	%
TEO BOON LENG	171,359,753	30.63	0	0.00
ANG KAH LEONG	157,884,355	28.22	0	0.00
LEE SUI HEE	55,733,478	9.96	0	0.00
SIM CHOON LAM	32,075,784	5.73	0	0.00

# STATISTICS OF SHAREHOLDINGS

As at 9 September 2020

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TEO BOON LENG	171,359,753	30.63
2	ANG KAH LEONG	157,884,355	28.22
3	LEE SUI HEE	55,733,478	9.96
4	SIM CHOON LAM	32,075,784	5.73
5	SIM CHOON BENG	24,018,515	4.29
6	CHEW TIAM POH	18,459,565	3.30
7	ABN AMRO CLEARING BANK N.V.	10,835,600	1.94
8	LEE KWANG HWEE	10,182,000	1.82
9	CHUA KWEE SIN	8,543,000	1.53
10	RAFFLES NOMINEES (PTE.) LIMITED	8,038,700	1.44
11	MEHTA VIMESH PIYUSH	8,010,000	1.43
12	LIU JI	7,000,000	1.25
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	5,596,500	1.00
14	NG PUAY HOON	4,957,774	0.89
15	UOB KAY HIAN PRIVATE LIMITED	3,933,600	0.70
16	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,665,000	0.48
17	TAN SIM HUI JULIA (CHEN XINHUI)	2,548,803	0.46
18	KOH PENG HENG	2,287,273	0.41
19	ONG KAH LAM	2,083,400	0.37
20	LIM YONG LUY	1,700,800	0.30
<b>TOTAL</b>		<b>537,913,900</b>	<b>96.15</b>

## PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on information available to the Company as at 9 September 2020, approximately 25.46% of the Company's issued ordinary shares excluding treasury shares were held by the Public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual Section B : Rules of Catalyst.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of TLV HOLDINGS LIMITED ("the **Company**") will be held by electronic means (via live audio-visual webcast or live audio-only stream) on Friday, 23 October 2020 at 10.00 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial period ended 30 June 2020 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring pursuant to Article 114 of the Constitution of the Company:  
  
Mr Teo Boon Leng **(Resolution 2)**  
  
Mr Goh Yeow Tin **(Resolution 3)**  
  
Mr Teo Boon Leng will, upon re-election as Director of the Company, remain as Executive Director and Managing Director of the Company.  
  
Mr Goh Yeow Tin will, upon re-election as Director of the Company, remain as Chairman of the Board and Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. The Board considers Mr Goh to be independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.
3. To approve the payment of Directors' Fees of S\$38,437 for the financial period from 1 April 2020 to 30 June 2020.  
(See Explanatory Note (i)) **(Resolution 4)**
4. To approve the payment of Directors' Fees of S\$153,750 for the financial year ending 30 June 2021 payable quarterly in arrears. **(Resolution 5)**
5. To re-appoint Messrs Ernst & Young LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modification:

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

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

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

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

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

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from the exercising of share options or vesting of share awards, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;any adjustments made in accordance with sub-paragraphs (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the Resolution approving the mandate.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.  
(See Explanatory Note (ii)) **(Resolution 7)**

By Order of the Board

Wong Yoen Har  
Company Secretary

Singapore, 8 October 2020

## Explanatory Notes:

- (i) The Ordinary Resolution 4 in item 3 is to seek approval for the payment of directors' fees of S\$38,437 for the financial period from 1 April 2020 to 30 June 2020 due to the change of the Company's financial year from 31 March to 30 June. The directors' fees for the financial year ended 31 March 2020 were approved at the last Annual General Meeting held on 26 July 2019.
- (ii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

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

# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT

The printed copies of the following documents will not be despatched to shareholders, they can be accessed on Company website at URL <http://www.tlvholdings.com.sg/agm.html> or on SGX website at URL <https://www.sgx.com/securities/company-announcements>:

- Annual Report for the financial period ended 30 June 2020
- Notice of Annual General Meeting
- Proxy Form
- Pre-registration for AGM Live Audio-Visual Webcast/Audio Feed

## Notes:

- (1) The Annual General Meeting ("the Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- (2) Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in "**Pre-registration for AGM Live Audio-Visual Webcast/Audio Feed**".
- (3) **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **10.00 a.m. on 12 October 2020**.

- (4) The Chairman of the Meeting, as proxy, need not be a member of the Company.
- (5) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with the Company's registered office at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181; or
  - (b) if submitted electronically, be submitted as a clearly readable image via email to [TLV\\_AGM20@tlvholdings.com.sg](mailto:TLV_AGM20@tlvholdings.com.sg).

in either case, **at least 48 hours before the time for holding the Meeting, by 10.00 a.m. on 21 October 2020**.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

- (6) The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the Meeting as proxy(ies) which was delivered by a member to the Company before 10.00 a.m. on 21 October 2020 as a valid instrument appointing the Chairman of the Meeting as the member's proxy to attend, speak and vote at the Meeting if:
  - (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and
  - (b) the member has not withdrawn the appointment.
- (7) A member may withdraw an instrument appointing the Chairman of the Meeting by sending an email to [TLV\\_AGM20@tlvholdings.com.sg](mailto:TLV_AGM20@tlvholdings.com.sg) to notify the Company of the withdrawal, at least 48 hours before the time for holding the Meeting.
- (8) Submission by a member of a valid instrument appointing the Chairman of the Meeting as proxy at least 48 hours before the time for holding the Meeting will supersede any previous instrument submitted by that member.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company 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 the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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.

# PRE-REGISTRATION FOR AGM LIVE AUDIO-VISUAL WEBCAST/AUDIO FEED

Due to the current COVID-19 restriction orders in Singapore, shareholders will not be allowed to attend the Annual General Meeting for the financial year ended 30 June 2020 (the "Meeting") of **TLV Holdings Limited** (the "Company") to be held on **Friday, 23 October 2020 at 10.00 a.m. (Singapore Time)** in person. Instead, the AGM will be conducted virtually and shareholders will be able to observe and listen to the AGM proceedings via "live" audio-visual webcast or audio-only stream. We seek the understanding and cooperation of all shareholders to minimise the risk of community spread of COVID-19.

## Guidelines for Participation at the AGM

As indicated in the Notice of AGM dated 8 October 2020 which sets out inter alia, the details of the alternative arrangements for shareholders' participation at the AGM, shareholders may participate in Meeting to be held via "live" audio-visual webcast and audio-only stream on Friday, 23 October 2020 at 10.00 a.m. (Singapore Time).

In order to assist shareholders through this process, please refer to the guidelines below.

### I. Pre-Registration for the AGM

Shareholders and Supplementary Retirement Scheme ("SRS") investors who wish to attend the Meeting should pre-register for the "live" audio-visual webcast or audio-only stream at <http://smartagm.sg/tlvagm2020> by clicking on "Register Now", and complete and submit the registration form **no later than 20 October 2020 at 10.00 a.m. (Singapore Time)** ("**Pre-Registration Deadline**").

Investors who hold their shares in the Company ("**Shares**") through relevant intermediaries who wish to participate in the Meeting by: (a) observing and/or listening to the proceedings of the Meeting via the live webcast or live audio feed; or (b) submitting questions in advance of the Meeting, should contact the relevant intermediary through which they hold Shares as soon as possible in order to make the necessary arrangements for them to participate in the Meeting.

Shareholders and SRS investors who have pre-registered by the Pre-Registration Deadline should receive an email response by 21 October 2020 at 6.00 p.m. (Singapore Time). Only authenticated shareholders and SRS investors will receive an email containing the link and unique login credentials to access the "live" audio-visual webcast, and the telephone number and participant PIN to access the audio-only stream of the AGM proceedings.

Shareholders and SRS investors who have pre-registered by the Pre-Registration Deadline but did not receive any email response by 21 October 2020 at 6.00 p.m. (Singapore Time) should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at [bcasmeetings@boardroomlimited.com](mailto:bcasmeetings@boardroomlimited.com) or call the general telephone number at +65 6536 5355 between 10:00 a.m. to 5:00 p.m. for assistance. The Company advises all shareholders to register as early as possible.

Shareholders and SRS investors must not share the login credentials and participant PIN provided with others, as multiple device logins are not allowed. It is the shareholder's and SRS investor's responsibility to keep the login credentials and participant PIN provided to himself/herself.

Shareholders and SRS investors are advised to also check the "junk" or "spam" folders of their email in case the emails are directed there.

### II. Submission of Questions

Shareholders will not be able to ask questions at the AGM "live" during the webcast or via the audio feed. It is therefore important for shareholders to pre-register their participation and submit their questions early.

Shareholders may submit their questions through <http://smartagm.sg/tlvagm2020>.

All questions for the Meeting must be submitted **by 10.00 a.m. on 20 October 2020 (Singapore Time)**.

The Company will release an announcement replying to the questions submitted by shareholders, if any, via SGXNet by 8.00 a.m. on 23 October 2020.



# PRE-REGISTRATION FOR AGM LIVE AUDIO-VISUAL WEBCAST/AUDIO FEED

## III. To vote at the AGM

Shareholders who wish to exercise their voting rights at the AGM must appoint the Chairman of the Meeting as their proxy(ies) by completing the Proxy Form and giving specific instructions as to voting, or abstention from voting accordingly. Please note that in the absence of specific instructions in respect of a resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Shareholders who wish to exercise their voting rights at the AGM are advised to complete and sign the Proxy Form downloaded from the following link: <http://www.tlvholdings.com.sg/agm.html> and submit it to the Company in the following manner:

- a) if by email, the Proxy Form must be submitted as a clearly readable image and received by the Company at [TLV\\_AGM20@tlvholdings.com.sg](mailto:TLV_AGM20@tlvholdings.com.sg) or
- b) if the Proxy Form is in hard copy and sent personally or by post, to the Company's registered office address at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181,

in either case, **by 21 October 2020 at 10.00 a.m. (Singapore Time)**, being 48 hours before the time fixed for the AGM.

In view of the COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

The Company would remind shareholders that, with the constantly evolving COVID-19 situation, the Company may be required to change its Meeting arrangements at short notice. Shareholders are encouraged to check the Company's announcement regularly for any updates on the Meeting.

# TLV HOLDINGS LIMITED

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

## PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. The Annual General Meeting (the "Meeting") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. The Annual Report and Notice of AGM dated 8 October 2020 may be accessed at URL <http://www.tlvholdings.com.sg/agm.html> and on the SGX website at URL <https://www.sgx.com/securities/company-announcements>.
3. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), registration for live webcast, submission of questions in advance of the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the Instructions to Shareholders for Annual General Meeting 2020.
4. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
5. Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes **by 10.00 a.m. on 12 October 2020**. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 October 2020.

**Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Meeting.**

I/We, \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC/Passport No./Registration No.)

of \_\_\_\_\_ (Address)

being a member/members of TLV Holdings Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company **to be held by electronic means (via live audio-visual webcast or live audio-only stream) on Friday, 23 October 2020 at 10.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy to vote for or against or abstain from voting the resolutions to be proposed at the Meeting in the spaces provided hereunder.

No.	Resolutions relating to:	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	Adoption of the Directors' Statement and Audited Financial Statements of the Company for the financial period ended 30 June 2020 together with the Independent Auditor's Report			
2	Re-election of Mr Teo Boon Leng as Director of the Company			
3	Re-election of Mr Goh Yeow Tin as Director of the Company			
4	Approval of Directors' Fees amounting to S\$38,437 for the financial period from 1 April 2020 to 30 June 2020			
5	Approval of Directors' Fees amounting to S\$153,750 for the financial year ending 30 June 2021 payable quarterly in arrears			
6	To re-appoint Messrs Ernst & Young LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
7	Authority to allot and issue shares			

If you wish the Chairman of the Meeting as your proxy to cast all your votes **For** or **Against** a resolution, please tick (✓) within the box in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box in respect of that resolution.

If you wish the Chairman of the Meeting as your proxy to Abstain from voting on a resolution, please tick in the Abstain box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the Abstain box in respect of that resolution.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

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

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder



**Notes:**

1. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
2. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The Chairman of the Meeting, as proxy, need not be a member of the Company.
3. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
4. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **10.00 a.m. on 12 October 2020**.
5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. The duly completed and signed instrument appointing the Chairman of the Meeting as proxy must either be submitted by:
  - (a) mail to the Company's registered office at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181; or
  - (b) email to TLV\_AGM20@tlvholdings.com.sgas soon as possible, in either case, not less than forty-eight (48) hours before the time appointed for holding the Meeting.

A member who wishes to submit a Proxy Form must download, complete and sign the Proxy Form, before submitting it by post to the address provided above or by scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms personally or by post, members are strongly encouraged to submit completed proxy forms electronically via email.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 October 2020.

**GENERAL:**

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as 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 the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



(Company Registration No.: 201526542C)

3 Kaki Bukit Place

Eunos Techpark

Singapore 416181

Tel : 65 6746 8777

Fax : 65 6746 8323

[www.tlvholdings.com.sg](http://www.tlvholdings.com.sg)