



TLV
TLV HOLDINGS LIMITED

Company Registration No. 201526542C
Incorporated in the Republic of Singapore on 22 June 2015

**RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDER FOR EXTRAORDINARY
GENERAL MEETING TO BE HELD ON 29 OCTOBER 2021**

Question 1

Please refer to Item No. 2.3 of the Circular about “Rationale for the Proposed Business Diversification”. At the 2nd paragraph, it was stated that “In 2018, the Group identified the Moneylending Business as a potential area of business expansion as it is complementary to the Group’s Existing Core Business Activities, and first ventured into offering term loans to corporations. The Moneylending Business of the Group is and will be conducted through BizFintech Pte. Ltd., a wholly-owned subsidiary of the Company.” Currently, what is the (i) mean and (ii) median of the loan size lent out by BizFintech Pte Ltd?

Company’s Response

The current loan portfolio under the money lending segment remain immaterial to the group’s operation and Management is of the view that current disclosure in the Annual Report is sufficient and in compliance with financial reporting standards. More details will be disclosed in compliance with the financial reporting standards as and when the size of the money lending operation warrants such disclosure under the financial reporting standards.

Question 2

Please refer to Item No. 2.6.8 of the Circular about “The Group may not have adequate financing for its Moneylending Business and may require additional funding for future growth”. It was stated that “The Moneylending Business is capital intensive in nature and the Group may require a substantial amount of capital for its operations and future expansion. ... These additional funds may be raised by way of a placement, by a further rights offering or by way of borrowings.”

As at 30 June 2021, the Segment assets of the Group’s Financial Services segment was \$36.345m (22.2% of \$163.201m Total assets). Yet, the Group only has \$15.243m “Cash and bank balances”, which means the Financial Services segment (encompassing the Moneylending Business) can expand by up to 41.9% (on an unleveraged basis). Can the Board share what is the budgeted portfolio asset size of the Moneylending Business the Group is budgeting for in the next 2-3 years?

If the Board cannot rule out diluting existing Shareholders via equity fund raising (placement/rights offerings), how many % of discount to NAV per share (i.e. S\$0.1871/share) will the Board cap it at?

Company’s Response

In view of high uncertainty of business outlook due to the prolonged COVID19 situation in Singapore and worldwide, Management has been closely monitoring the current market conditions affecting all our business segments including jewellery retail and wholesale, pawnbroking and money lending. Capital expenditure and working capital requirements of our group are everchanging in the reshuffled supply chain of international trade. Hence Management remains positively conservative in setting growth targets of respective business segments for both the short term and long term. While the Company has access to various fund-raising approach, the commercial terms for any fund-raising exercise depend on and are subject to the amounts to be raised, financial performance of the Company, capital market condition and other external factors at the point of fundraising.

Question 3

Please refer to Item No. 2.2 of the Circular about “Description of the Moneylending Business”. At its last paragraph, it was stated that “For the avoidance of doubt, due to the scope of the Group’s Moneylending Business, the Group falls under the definition of “excluded moneylender”, and therefore will not require any licenses or approvals under the Moneylenders Act.” Can the Board and Management specify what it means by the Moneylending Business will be defined as an “excluded moneylender”?

Company’s Response

An "excluded moneylender" is defined under the Moneylenders Act, a copy of which can be accessed on Singapore Statutes Online at <https://sso.agc.gov.sg/Act/MA2008>. The Company has taken the necessary steps (including but not limited to seeking advice from our legal advisers) to ensure that due to the scope of the Moneylending Business, the Group falls within the definition of "excluded moneylender" under and in compliance with the Moneylenders Act to carry out the business.

Question 4

Please refer to Item No. 2.6.6 of the Circular about “The Group is subject to the geographical risks associated with the assets of a borrower whose operating business may be located outside of Singapore”. It was stated that “The Company does not plan to restrict the profile of potential borrowers to any specific geographical market.” How many % of Moneylending Business’s receivables does the Board expect to be based outside of Singapore jurisdiction?

Company’s Response

The Company has disclosed the risk associated with the assets of borrower(s) whose operating business may be located outside of Singapore and does not plan to restrict the profile of potential borrowers to any specific geographical market. However, our focus at this initial stage of the money lending business expansion is on borrowers whose business are located in Singapore.

BY ORDER OF THE BOARD

TEO BOON LENG
Managing Director

29 October 2021

This announcement has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “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 opinions 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.