



TLV

TLV HOLDINGS LIMITED

(Company Registration No.: 201526542C)

(Incorporated in the Republic of Singapore on 22 June 2015)



Placement of 76,459,000 Placement Shares comprising 70,777,000 New Shares and 5,682,000 Vendor Shares at S\$0.22 for each Placement Share, payable in full on application

OFFER DOCUMENT DATED 8 SEPTEMBER 2015

(Registered by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) acting as agent on behalf of the Monetary Authority of Singapore (the “Authority”) on 8 September 2015.)

This offer is made in or accompanied by an Offer Document (the “Offer Document”) that has been registered by the SGX-ST, acting as agent on behalf of the Authority on 8 September 2015. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST’s listing rules, have been complied with.

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s).

PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) has made an application to the SGX-ST for permission to deal in, and for quotation of, all the ordinary shares (the “Shares”) in the capital of the Company already issued (including the Vendor Shares (as defined herein), the New Shares (as defined herein), the PPCF Shares (as defined herein), and the GFC Shares (as defined herein) to be listed for quotation on Catalist. The Sponsor has submitted this Offer Document to the SGX-ST. Acceptance of applications will be conditional upon, inter alia, issue of the New Shares, PPCF Shares and GFC Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares (including the Vendor Shares), the New Shares, the PPCF Shares and the GFC Shares on Catalist. Monies paid in respect of any application accepted will be returned if the admission and Listing do not proceed. The dealing in and quotation of the Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid

market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that the Company is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the Shares or units of Shares being offered for investment.

We have not lodged this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Issue Manager, Sponsor and Placement Agent



PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
(Company Registration No.: 200207389D)
(Incorporated in the Republic of Singapore)



CORPORATE PROFILE

Spearheaded by our Managing Director, Mr Michael Teo and our Executive Director, Mr Ang Kah Leong, our Group has grown from primarily selling jewellery on a wholesale basis, to an established jeweller that sells jewellery in both the local and international markets on a wholesale and retail basis.

In Singapore, our Group has a retail network of 19 outlets strategically located at various heartland districts, central and suburban malls. Our brands include “Taka Jewellery”, which sells quality jewellery at competitive prices and “Lovis Diamonds”, which sells customised diamonds and fine jewellery.

Since venturing overseas through active participation in international jewellery exhibitions to sell jewellery on a wholesale basis, our jewellery is today, sold in the US, Europe, Middle East, East Asia and Southeast Asia. We have participated in more than 20 exhibitions in FY2015.

Leveraging our proven track record in the jewellery business, our Group ventured into the pawnbroking business and the trading and retail of second hand jewellery and watches in 2013, under the brand “Top Cash”.



19 retail outlets and 2 pawnshops island-wide



Sale of jewellery worldwide through international jewellery exhibitions



BUSINESS

JEWELLERY BUSINESS

RETAIL BUSINESS

- Our Group has a retail network of 19 outlets throughout Singapore
- Our two retail brands
 - **TAKA Jewellery** offers affordable quality jewellery for the mass market
 - **Lovis Diamonds** offers customised diamonds and fine jewellery for the discerning customer

EXHIBITIONS BUSINESS

- Many members of our sales team have been participating in international exhibitions since 2003 such as the HKTDC Hong Kong International Jewellery Show (Hong Kong) and Baselworld (Switzerland)
- In 2007, our Group launched a contemporary line of jewellery under the brand name of **Voi** to be sold at exhibitions on a wholesale basis
- Today, our jewellery is sold to customers from the US, Europe, Middle East, East Asia and Southeast Asia
- In FY2015, our Group participated in more than 20 Exhibitions, with this business segment contributing approximately 50.4% and 70.7% to revenue and profit before tax respectively in FY2015

PAWNBROKING

- Our Group provides pawnbroking services and the retail and trading of pre-owned jewellery and watches through two pawnshops in Singapore, located in Yishun and Serangoon Road



COMPETITIVE STRENGTHS

- **We keep abreast of consumer trends and preferences** through constant communications with customers, suppliers and peers, and are also watchful of industry events globally
- **We enjoy economies of scale** as our current size of operations strongly positions us to negotiate for competitive prices with suppliers and manufacturing sub-contractors
- **We maximise profit margins with a short value chain** as we deal directly with suppliers, manufacturing sub-contractors and customers, eliminating the need for middlemen
- **We offer a wide range of quality jewellery** to meet the varying tastes of customers, from international wholesale customers to local end customers
- **We have established strong and long-standing relationships with suppliers**, giving us priority in raw material selection and ensuring a continuous supply of raw materials at competitive prices and good credit terms
- **We have an experienced management team**, led by our Managing Director, Mr Michael Teo and our Executive Director, Mr Ang Kah Leong, who each has more than 30 years of industry experience. They are supported by Executive Officers who have in-depth experience in running the various business units, and assisted by a dedicated operational team
- **We have an established home-grown brand name**, "Taka Jewellery", which is synonymous with quality jewellery at competitive prices
- **We are an established participant in international exhibitions**, having built strong working relationships with customers at these exhibitions which have resulted in brisk and repeat sales

BUSINESS STRATEGIES AND FUTURE PLANS

Acquire ownership of retail outlets

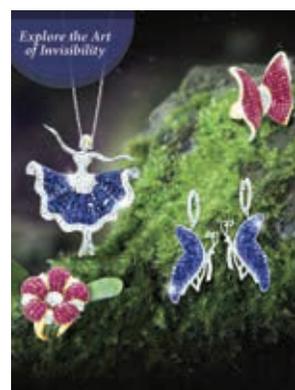
- Acquire ownership of retail outlets that are currently leased to negate rising rental cost, and increase retail network

Widen range of jewellery and casings

- Offer a wider range of jewellery and casings to global customers through our Exhibitions Business to keep up with changing market trends and consumer preferences

Expand through acquisitions, joint ventures and strategic alliances

- Strengthen market position, expand network and venture into new complementary businesses



PROSPECTS

RETAIL BUSINESS

Our Directors believe that the local retail business will continue to grow, underpinned by the moderately growing Singapore economy¹ and demand for luxury goods as a result of a growing affluent middle class within the ASEAN region with higher disposable income².

EXHIBITIONS BUSINESS

The outlook for diamond jewellery sales growth in 2015 remains positive in all main markets globally as retailers expect another year of growing demand. The medium and long term prospects of the global diamond industry are exceptionally strong, driven by the burgeoning middle class in major consumer markets.³ We believe our Group is well-positioned to take advantage of these positive trends.

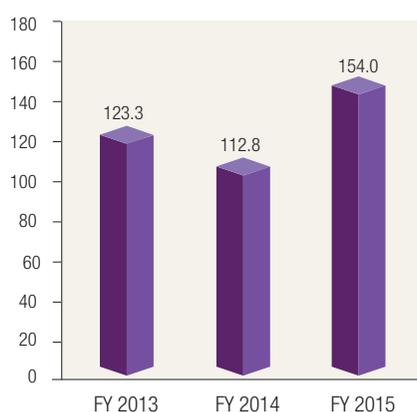
(1) MTI narrows 2015 GDP growth forecast to 2.0 to 2.5 per cent, 11 August 2015, Ministry of Trade and Industry of Singapore

(2) Here's why Singapore is a shining beacon in Luxury Asia, Singapore Business Review

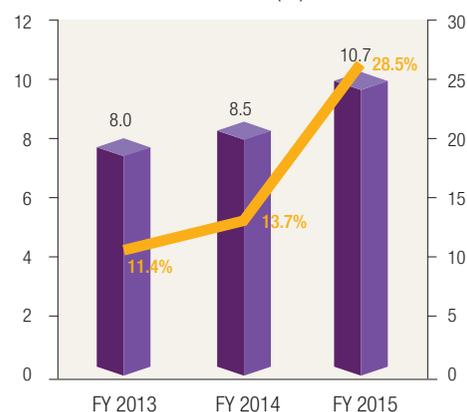
(3) Global diamond jewellery demand up 3% in 2014 to new \$81bn high – 2015 set for further growth across all main consumer markets, De Beers Group of companies media release dated 20 March 2015

FINANCIAL HIGHLIGHTS

REVENUE (\$'M)



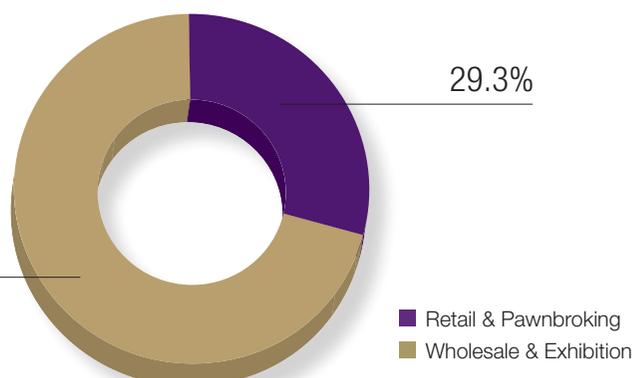
NET PROFIT (\$'M) & GROSS PROFIT MARGIN (%)



PROFIT BEFORE TAX BREAKDOWN BY BUSINESS SEGMENTS

70.7%

29.3%



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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Goh Yeow Tin (Non-Executive Chairman and Independent Director) Michael Teo (Managing Director) Ang Kah Leong (Executive Director) Lu King Seng (Independent Director) Chua Kern (Independent Director)
COMPANY SECRETARY	:	Wong Yoen Har, ACIS
REGISTERED OFFICE	:	3 Kaki Bukit Place Eunos Techpark Singapore 416181
SHARE REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
ISSUE MANAGER, SPONSOR AND PLACEMENT AGENT	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young LLP Level 18 North Tower One Raffles Quay Singapore 048583 Partner-in-Charge: Ng Boon Heng (Chartered Accountant, a member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISERS TO OUR COMPANY ON SINGAPORE LAW	:	Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
LEGAL ADVISER TO OUR COMPANY ON HONG KONG LAW	:	King & Wood Mallesons 13/F, Gloucester Tower, The Landmark 15 Queen's Road Central, Central, Hong Kong
LEGAL ADVISER TO OUR COMPANY ON DUBAI LAW	:	Galadari Advocates & Legal Consultants (DIFC) Limited Office 502-504, Level 5, Gate Precinct Building 5 Dubai International Financial Centre (DIFC) P.O. Box 506916, Dubai, UAE

CORPORATE INFORMATION

LEGAL ADVISER TO OUR COMPANY ON MALAYSIA LAW	:	Mazlan & Associates Suite 8.1 Level 8 Work @ Clearwater Changkat Semantan Off Jalan Semantan Damansara Heights 50490 Kuala Lumpur
PRINCIPAL BANKERS	:	The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #10-02 Singapore 049320 DBS Bank Limited 12 Marina Boulevard, Level 3 Marina Bay Financial Centre Tower 3 Singapore 018982 CIMB Bank Berhad 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623 Australia & New Zealand Banking Group Limited 10 Collyer Quay, #30-00 Ocean Financial Centre Singapore 049315 Standard Chartered Bank (Singapore) Limited 8 Marina Boulevard #27-01 Marina Bay Financial Centre Tower 1 Singapore 018981
RECEIVING BANKER	:	The Bank of East Asia, Limited BEA Building 60 Robinson Road Singapore 068892
VENDOR	:	Ample China International Limited P.O. Box 957 Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands

DEFINITIONS

In this Offer Document and the accompanying Application Forms, the following definitions apply where the context so admits:

Companies within our Group

<i>“Company”</i>	:	TLV Holdings Limited, a company incorporated in Singapore on 22 June 2015, Company Registration No: 201526542C
<i>“Globe Diamonds”</i>	:	Our Associated Company, Globe Diamonds Singapore Pte. Ltd.
<i>“Group”</i>	:	Our Company, subsidiaries and Associated Companies
<i>“Group Company”</i>	:	Any of our Company, subsidiaries or Associated Companies
<i>“Lovis”</i>	:	Our subsidiary, Lovis Diamonds Pte. Ltd.
<i>“Taka Dubai”</i>	:	Our Associated Company, Taka Jewellery LLC
<i>“Taka HK”</i>	:	Our subsidiary, Taka Jewellery (Hong Kong) Limited
<i>“Taka Malaysia”</i>	:	Our subsidiary, Taka Jewellery Sdn Bhd
<i>“Taka Singapore”</i>	:	Our subsidiary, Taka Jewellery Pte. Ltd.
<i>“TCJPL”</i>	:	Our subsidiary, Top Cash Jewellery Pte. Ltd.
<i>“TCPL”</i>	:	Our subsidiary, Top Cash Pte. Ltd.
<i>“Voi”</i>	:	Our subsidiary, Voi Jewellery Pte. Ltd.

Other corporations, agencies and entities

<i>“ACIL”</i>	:	Ample China International Limited
<i>“ANZ”</i>	:	Australia & New Zealand Banking Group Limited
<i>“Authority”</i>	:	The Monetary Authority of Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CIMB”</i>	:	CIMB Bank Berhad
<i>“CPF”</i>	:	The Central Provident Fund
<i>“DBS”</i>	:	DBS Bank Limited

DEFINITIONS

<i>“EDB”</i>	:	Economic Development Board of Singapore
<i>“HDB”</i>	:	Housing Development Board of Singapore
<i>“HSBC”</i>	:	The Hongkong and Shanghai Banking Corporation Limited
<i>“IRAS”</i>	:	Inland Revenue Authority of Singapore
<i>“MOM”</i>	:	Ministry of Manpower of Singapore
<i>“PPCF”, “Issue Manager”, “Placement Agent” or “Sponsor”</i>	:	PrimePartners Corporate Finance Pte. Ltd.
<i>“SCB”</i>	:	Standard Chartered Bank (Singapore) Limited
<i>“SGX-ST” or “Exchange”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<i>“Solicitors to the Placement”</i>	:	Rodyk & Davidson LLP
<i>“Taka Gold”</i>	:	Taka Gold Pte. Ltd.

General

<i>“Agreed Proportion”</i>	:	The proportion in which the Placement Shares are offered by each of our Company and the Vendor
<i>“Application Forms”</i>	:	The printed application forms to be used for the purpose of the Placement and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for subscription of the New Shares
<i>“Articles” or “Articles of Association”</i>	:	The articles of association of our Company as amended, supplemental or modified from time to time
<i>“Associate”</i>	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or

DEFINITIONS

- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more of the aggregate of the nominal amount of all the voting shares; or
 - (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Associated Company”* : In relation to a corporation, means:
- (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest of not less than 20.0% but not more than 50.0% of the aggregate of the nominal amount of all the voting shares; or
 - (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is able to control or influence materially
- “Audit Committee”* : The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
- “Board” or “Board of Directors”* : The board of Directors as at the date of this Offer Document, unless otherwise stated
- “Business Acquisition”* : The acquisition of the retail and exhibition business of Taka Gold by our Group, further details of which are set out in the section entitled “Business Acquisition” of this Offer Document
- “Catalist”* : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”* : Any or all of the rules in Section B of the Listing Manual: Rules of Catalist, as amended, supplemented or modified from time to time
- “Companies Act”* : The Companies Act (Chapter 50) of Singapore, as amended, supplemented and modified from time to time

DEFINITIONS

<i>“Controlling Shareholder”</i>	:	In relation to a corporation, <ul style="list-style-type: none">(a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or(b) a person who has an interest of 15.0% or more of the aggregate of the nominal amount of all the voting shares in a corporation, unless he does not exercise control over the corporation
<i>“Directors”</i>	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Entity at Risk”</i>	:	(a) our Company; <ul style="list-style-type: none">(b) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or(c) an Associated Company that is not listed on the SGX-ST or an approved exchange, provided that our Group or our Group and our Interested Person(s), has control over the Associated Company
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive Directors as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
<i>“Exhibitions”</i>	:	International jewellery exhibitions and/or trade fairs
<i>“FY”</i>	:	Financial year ended or ending 31 March, as the case may be
<i>“GFC Shares”</i>	:	The 682,000 new Shares to be issued and allotted to Kit Ng for services provided to our Group as our Group Financial Controller
<i>“GIA”</i>	:	The Gemological Institute of America, an institute founded in 1931 and considered an authority on diamonds, coloured stones and pearls
<i>“GPM”</i>	:	Gross profit margin
<i>“GST”</i>	:	Goods and Services Tax

DEFINITIONS

<i>“Hong Kong”</i>	:	The Hong Kong Special Administrative Region of the PRC
<i>“HKTDC”</i>	:	Hong Kong Trade Development Council
<i>“HQ”</i>	:	Our headquarters at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181
<i>“Independent Directors”</i>	:	The independent Directors as at the date of this Offer Document, unless otherwise stated
<i>“Interested Person”</i>	:	(a) A director, chief executive officer or Controlling Shareholder of the Company; or (b) An Associate of any such director, chief executive officer or Controlling Shareholder
<i>“Interested Person Transaction”</i>	:	A transaction between an Entity at Risk and an Interested Person
<i>“Latest Practicable Date”</i>	:	14 August 2015, unless otherwise indicated, being the latest practicable date before the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The listing of our Company and the quotation of our Shares on Catalist
<i>“Listing Manual”</i>	:	The provisions of Sections A and B of the listing manual of the SGX-ST as amended, supplemented or modified from time to time
<i>“Management Agreement”</i>	:	The management and full sponsorship agreement dated 8 September 2015 entered into between our Company and PPCF pursuant to which PPCF shall manage and sponsor the Listing, details as described in the section entitled “General and Statutory Information – Management Arrangement” of this Offer Document
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	:	Net asset value
<i>“New Shares”</i>	:	The 70,777,000 new Shares for which our Company invites applications to subscribe for pursuant to the Placement, subject to and on the terms and conditions set out in this Offer Document

DEFINITIONS

<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Offer Document”</i>	:	This Offer Document dated 8 September 2015 issued by our Company in respect of the Placement
<i>“Pawnbrokers Act 2015”</i>	:	Pawnbrokers Act 2015 (No. 2 of 2015) as amended, supplemented or modified from time to time
<i>“PBT”</i>	:	Profit before taxation
<i>“PDPA”</i>	:	Personal Data Protection Act 2012 (No. 26 of 2012) as amended, supplemented or modified from time to time
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period which comprises FY2013, FY2014 and FY2015
<i>“Personal Consultancy Agreement”</i>	:	The personal consultancy agreement entered into between ACIL and Mr Michael Teo and Mr Ang Kah Leong on 10 May 2013, appointing ACIL as a private consultant to Mr Michael Teo and Mr Ang Kah Leong for personal value enhancement
<i>“Placement”</i>	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company and the Vendor for subscription and/or purchase at the Placement Price subject to and on the terms and conditions as set out in this Offer Document
<i>“Placement Agreement”</i>	:	The placement agreement dated 8 September 2015 entered into between our Company, the Vendor and the Placement Agent pursuant to which the Placement Agent agreed to procure subscriptions and/or purchases for the Placement Shares at the Placement Price as described in the sections entitled “Plan of Distribution” and “General and Statutory Information – Placement Arrangement” of this Offer Document
<i>“Placement Price”</i>	:	S\$0.22 for each Placement Share
<i>“Placement Shares”</i>	:	The 76,459,000 Shares which are the subject of the Placement, comprising 70,777,000 New Shares and 5,682,000 Vendor Shares
<i>“POS”</i>	:	Point of sale

DEFINITIONS

<i>“PPCF Shares”</i>	:	The 1,591,000 new Shares to be issued and allotted to PPCF as part of PPCF’s professional fees as the Issue Manager and Sponsor
<i>“PRC”</i>	:	The People’s Republic of China
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Restructuring Exercise”</i>	:	The restructuring exercise implemented in connection with the Placement, more fully described in the section entitled “Restructuring Exercise” of this Offer Document
<i>“Secondhand Goods Act”</i>	:	Secondhand Goods Dealers Act (Chapter 288A) of Singapore, as amended, supplemented or modified from time to time
<i>“Secondhand Goods Order”</i>	:	Secondhand Goods Dealers (Exemption) Order 2008 of Singapore, as amended, supplemented or modified from time to time
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Service Agreement”</i>	:	The service agreement entered into between our Company and our Managing Director, Mr Michael Teo, and our Executive Director, Mr Ang Kah Leong, as set out in the section entitled “Directors, Management and Staff – Service Agreements” of this Offer Document
<i>“SFA” or “Securities & Futures Act”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
<i>“SGXNET”</i>	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of our Company
<i>“Shareholder(s)”</i>	:	Registered holder(s) of Share(s), except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Singapore”</i>	:	The Republic of Singapore

DEFINITIONS

<i>“Substantial Shareholder(s)”</i>	:	A person who has an interest in the Share(s), the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares of our Company
<i>“Vendor”</i>	:	ACIL
<i>“Vendor Shares”</i>	:	The 5,682,000 issued and fully paid-up Shares owned by the Vendor for which the Vendor invites applications to purchase pursuant to the Placement, subject to and on the terms and conditions of this Offer Document
<i>“Warehouse”</i>	:	Our warehouse located at 30 Kaki Bukit Road 3, #01-01 Empire Technocentre, Singapore 417819
<i>“Yishun Shop Lot”</i>	:	Our shop lot located at Blk 103, Yishun Ring Road, #01-115, Singapore 760103

Currencies, Units and Others

<i>“AED”</i>	:	United Arab Emirates dirham, being the lawful currency of states under the United Arab Emirates
<i>“HK\$”</i>	:	Hong Kong dollars, being the lawful currency of Hong Kong
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents respectively, being the lawful currency of the Singapore
<i>“US\$”</i>	:	United States dollars, being the lawful currency of the United States of America
<i>“%” or “per cent.”</i>	:	Per centum or percentage

Names used in this Offer Document

Names in Passport

Michael Teo	:	Teo Boon Leng
Irene Ng	:	Ng Puay Hoon
Julia Tan	:	Tan Sim Hui, Julia
Kit Ng	:	Ng Hoi-Gee, Kit
Macvis Teo	:	Teo Kwee Yee, Macvis

The expressions **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

DEFINITIONS

The terms “**related corporation**”, “**related entity**”, “**subsidiary entity**” and “**substantial interest-holder**” shall have the same meanings ascribed to them respectively in Paragraph 1 of the Fourth Schedule of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document and/or the Application Form to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Offer Document and the Application Form shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Offer Document and/or the Application Form to Shares being allotted to an applicant includes allotment to CDP for the account of that Applicant.

Any reference to a time of day in this Offer Document and/or the Application Forms shall be a reference to Singapore time, unless otherwise stated.

References in this Offer Document to “**our Group**”, “**we**”, “**our**”, “**us**”, or other grammatical variations thereof refer to our Company, our Group or any member of our Group, as the context requires.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, the Vendor, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “*forward-looking statements*”. You can identify some of these forward-looking statements by terms such as “*expects*”, “*believes*”, “*plans*”, “*intends*”, “*estimates*”, “*anticipates*”, “*may*”, “*will*”, “*would*” and “*could*” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (i) our revenue and profitability;
- (ii) expected growth in demand;
- (iii) expected industry trends and development;
- (iv) anticipated expansion plans; and
- (v) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) changes in political, social, economic and stock or securities market conditions, and the regulatory environment in the countries in which we conduct business;
- (b) changes in currency exchange or interest rates;
- (c) our anticipated growth strategies and expected internal growth;
- (d) changes in the availability and prices of goods and services which we require to operate our business;
- (e) changes in customers’ preferences;
- (f) changes in competitive conditions and our ability to compete under such conditions;
- (g) changes in our future capital needs and the availability of financing and capital to fund such needs;
- (h) other factors beyond our control; and
- (i) the factors described in the section entitled “Risk Factors” of this Offer Document.

These factors are discussed in greater detail in this Offer Document, in particular, but not limited to the discussions under the sections entitled “Risk Factors”, “Prospects, Business Strategies and Future Plans” and “Management’s Discussion and Analysis of Results of Operations and Financial

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Position". All forward-looking statements made by or attributable to us, our Directors, the Vendor, Executive officers, employees, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. Neither our Company, the Vendor, the Issue Manager, Sponsor and Placement Agent, nor any other person represents or warrants that our Group's actual future results, performance or achievements will be as discussed in those statements. Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. Further, our Company, the Vendor, and the Issue Manager, Sponsor and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in future.

We and the Vendor are, however, subject to the provisions of the SFA and the Catalyst Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Placement, our Company or the Vendor becomes aware of (a) a false or misleading statement or matter in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since the registration of this Offer Document with the SGX-ST acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged and that is materially adverse from the point of view of an investor, we and the Vendor may, in consultation with the Issue Manager, Sponsor and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

SINGAPORE

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of, any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE PLACEMENT

LISTING ON CATALIST

The Issue Manager, Sponsor and Placement Agent have, on our behalf, made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all our existing issued Shares (including the Vendor Shares), the New Shares which are the subject of the Placement, the PPCF Shares and the GFC Shares on Catalist. Such permission will be granted when we have been admitted to Catalist. The dealing in, listing and and quotation of, our existing issued Shares (including the Vendor Shares), the New Shares, the PPCF Shares and the GFC Shares will be in Singapore dollars. Acceptance of applications will be conditional upon, *inter alia*, the allotment and issuance of the New Shares and upon the permission granted by the SGX-ST to deal in, and for the listing and quotation of all our existing issued Shares (including Vendor Shares), the New Shares, the PPCF Shares and the GFC Shares on Catalist. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, the Vendor, and the Issue Manager, Sponsor and Placement Agent.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

The Placement is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the Shares being offered for investment.

A copy of this Offer Document has been lodged with and registered by the SGX-ST acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority, does not imply that the SFA, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, has been complied with.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our existing issued Shares (including the Vendor Shares), the New Shares, the PPCF Shares and the GFC Shares.

DETAILS OF THE PLACEMENT

We and the Vendor are subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Placement, we and the Vendor become aware of:

- (i) a false or misleading statement in this Offer Document;
- (ii) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or
- (iii) a new circumstance that has arisen since this Offer Document was lodged which would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we and the Vendor may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority, pursuant to Section 241 of the SFA.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for and/or purchase the Placement Shares and:

- (1) where the Placement Shares have not been issued and/or transferred to the applicants, we and the Vendor shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and we (as well as on behalf of the Vendor) shall, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or
- (2) where the Placement Shares have been issued and/or transferred to the applicants, but trading has not commenced we (as well as on behalf of the Vendor) shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants

DETAILS OF THE PLACEMENT

notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;

- (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us as well as the Vendor the Placement Shares which they do not wish to retain title in; or
- (iii) treat the issue and/or transfer of the Placement Shares as void, in which case the issue and/or transfer shall be deemed void and we (as well as on behalf of the Vendor) shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay the applicants all monies the applicants have paid on account of their applications for the Placement Shares.

An applicant who wishes to exercise his option under paragraph (1)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we (as well as on behalf of the Vendor) shall, within seven (7) days from the receipt of such notification, pay to him all monies paid by him on account of his application for the Placement Shares without interest or any share revenue or other benefit arising therefrom and he will not have any claim against our Company, the Vendor or the Issue Manager, Sponsor and Placement Agent.

An applicant who wishes to exercise his option under paragraph (2)(i) or (ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares, to us, whereupon we (as well as on behalf of the Vendor) shall within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share revenue or other benefit arising therefrom and he will not have any claim against our Company, the Vendor or the Issue Manager, Sponsor and Placement Agent, and the issue and/or transfer of those Placement Shares shall be deemed to be void.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances issue a stop order (the “**Stop Order**”) to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted or issued or allocated. Such circumstances will include a situation where this Offer Document contains any statement or matter which, in the Authority’s opinion, is (i) false or misleading, (ii) omits any information that should have been included in it under the SFA, or (iii) does not, in the Authority’s opinion, comply with the requirements of the SFA.

In the event that the Authority issues a Stop Order and applications to subscribe for and/or purchase the Placement Shares have been made prior to the Stop Order, then:

- (a) where the Placement Shares have not been issued and/or transferred to the applicants, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled and we (as well as on behalf of the Vendor) shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or

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- (b) where the Placement Shares have been issued and/or transferred to the applicants, the issue and/or transfer of the Placement Shares shall be deemed to be void and we shall:
- (i) if no documents purporting to evidence title to those Placement Shares have been issued and/or transferred to the applicants, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the Placement Shares; or
 - (ii) if documents purporting to evidence title to those Placement Shares have been issued and/or transferred to the applicants, within 14 days from the date of the Stop Order, inform the applicants to return such documents to us within 14 days from that date and within 14 days from the receipt of such documents or the date of the Stop Order, whichever is later, pay to the applicants all monies paid by them for the Placement Shares.

Where monies are to be returned to applicants for the Placement Shares, they shall be paid to the applicants without any interest or share of revenue or benefit arising therefrom at the applicants' own risk, and the applicants will not have any claim against our Company, the Vendor, or the Issue Manager, Sponsor and Placement Agent.

This Offer Document has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, (i) the facts stated and the opinions, intentions and expectations expressed in this Offer Document are true, fair and accurate and not misleading in all material respects as at the date of this Offer Document, (ii) there are no material facts the omission of which would make any statement in this Offer Document misleading, and (iii) this Offer Document constitutes a full and true disclosure of all material facts about the Placement, our Group and our Shares.

Neither our Company, the Vendor, the Issue Manager, Sponsor and Placement Agent nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares.

The Placement Shares are offered for subscription and/or purchase solely on the basis of the information contained and the representations made in this Offer Document.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by our Company, the Vendor or the Issue Manager, Sponsor and Placement Agent. Neither the delivery of this Offer Document, the Application Forms nor any document relating to the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiaries or Associated Companies or in any statement of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, we will promptly make an announcement of the same to the SGX-ST and if required under the SFA, a supplementary or replacement offer document will be issued and made available to the public after a copy thereof has been lodged with the SGX-ST, acting as agent on behalf of the Authority. All applicants should take note of any such announcement and/or

DETAILS OF THE PLACEMENT

supplementary or replacement offer document and, upon the release of such an announcement and/or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company, our subsidiaries or Associated Companies.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation of the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation. Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause such circulation, reproduction or distribution to occur.

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability, during office hours from:

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

An electronic copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Application List will immediately upon the registration of this Offer Document by the SGX-ST, acting as agent of the Authority, and will remain open until 12.00 noon on 15 September 2015 or for such further period or periods as our Directors and the Vendor may, in consultation with the Issue Manager, Sponsor and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for applications to subscribe for and/or purchase the Placement Shares are set out in Appendix F entitled “Terms, Conditions and Procedures and Applications and Acceptances” of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Placement and trading in our Shares is set out below for your reference:

Indicative date and time	Event
15 September 2015, at 12.00 noon	Close of Application List
17 September 2015, at 9.00 a.m.	Commence trading on a “ready” basis
22 September 2015	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 15 September 2015, the date of admission of our Company to Catalist is on 17 September 2015, the shareholding spread requirement will be complied with and the Placement Shares will be issued or allotted and fully paid-up prior to 17 September 2015. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the commencement of trading on a “ready” basis.

Investors should consult the SGX-ST’s announcement of the “ready” trading date on the internet (at SGX-ST’s website <http://www.sgx.com>), or newspapers or check with their brokers on the date on which trading on a “ready” basis will commence.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

- (a) through an SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>; and
- (b) in a local English language newspaper.

We will provide details of the results of the Placement as soon as practicable after the closure of the Application List through the channels described in (a) and (b) above.

PLAN OF DISTRIBUTION

The Placement

The Placement is for 76,459,000 Placement Shares comprising 70,777,000 New Shares and 5,682,000 Vendor Shares offered in Singapore and the Listing is managed and sponsored by PPCF.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by us and the Vendor in consultation with the Issue Manager, Sponsor and Placement Agent, taking into account, *inter alia*, prevailing market conditions and the estimated market demand for the Placement Shares, determined through a book-building process. The Placement Price is the same for all Placement Shares and is payable in full on application.

Pursuant to the Management Agreement entered into between us, the Vendor and PPCF as set out in the section entitled “General and Statutory Information – Management Arrangement” of this Offer Document, we and the Vendor have appointed PPCF and PPCF has agreed to manage and to act as the full sponsor of the Listing. PPCF will receive a management fee and PPCF Shares from our Company for its services rendered in connection with the Listing. Upon the completion of the relevant moratorium period as set out in the section entitled “Shareholders” of this Offer Document, PPCF will be disposing of its shareholding interests in our Company at its discretion.

Placement Shares

The Placement Shares are made available to retail and institutional investors in Singapore who may apply through their brokers or financial institutions by way of the Application Forms. Application for the Placement Shares may only be made by way of the Application Forms. The terms, conditions and procedures for application and acceptance are set out in Appendix F of the Offer Document.

Pursuant to the Placement Agreement entered into between us, the Vendor and the Placement Agent as set out in the section entitled “General and Statutory Information – Placement Arrangement” of this Offer Document, we and the Vendor have appointed PPCF as the Placement Agent and PPCF has agreed to procure subscribers and/or purchasers for the Placement Shares for a placement commission of 3.5% of the Placement Price for each Placement Share, payable by our Company and the Vendor in the Agreed Proportion pursuant to the Placement. Subject to any applicable laws and regulations, our Company and the Vendor agrees that PPCF may, at their absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

Subscribers and/or purchasers of the Placement Shares may be required to pay brokerage or selling commission of up to 1.0% of the Placement Price (and the prevailing goods and services tax thereon, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

The Placement Agreement is conditional upon, among other things, the Management Agreement not having been terminated or rescinded pursuant to the provisions of the Management Agreement.

Subscription for and/or purchases of Placement Shares

To the best of our knowledge and belief, none of our Directors or Substantial Shareholders intends to subscribe for and/or purchase the Placement Shares. As far as we are aware, none of our Independent Directors, the members of our Company’s management or employees intends to subscribe for and/or purchase more than 5.0% of the Placement Shares in the Placement.

PLAN OF DISTRIBUTION

To the best of our knowledge and belief, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for and/or purchase more than 5.0% of the Placement Shares.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for and/or purchase Shares amounting to more than 5.0% of the Placement Shares. If such person(s) were to make an application for more than 5.0% of the Placement Shares pursuant to the Placement and are subsequently allotted and/or allocated such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment and allocation of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares shall be issued and allotted and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document.

Interests of the Issue Manager, Sponsor and Placement Agent

In the reasonable opinion of our Directors, save as disclosed below and in the sections entitled “General and Statutory Information – Management Arrangement” and “General and Statutory Information – Placement Arrangement” of this Offer Document, our Company does not have any material relationship with the Issue Manager, Sponsor and Placement Agent, PPCF, in relation to the Placement:

- (a) PPCF is the Issue Manager, Sponsor and Placement Agent in relation to the Listing;
- (b) PPCF will be the continuing Sponsor of our Company for a period of at least three (3) years from the date our Company is admitted and listed on Catalist; and
- (c) pursuant to the Management Agreement and as part of PPCF’s management fees as the Issue Manager and Sponsor, our Company will be issuing and allotting 1,591,000 PPCF Shares to PPCF. After completion of the moratorium period as set out in the section entitled “Shareholders – Moratorium” of this Offer Document, PPCF will dispose of its shareholding interest in our Company at its discretion.

OFFER DOCUMENT SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information (including the notes thereto) appearing elsewhere in this Offer Document. Terms defined elsewhere in this Offer Document have the same meaning when used herein. You should carefully consider all the information presented in this Offer Document, particularly the matters set out in the section entitled “Risk Factors” of this Offer Document before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Our Company

On 22 June 2015, our Company was incorporated in Singapore under the Companies Act as a private company limited by shares under the name “TLV Holdings Pte. Ltd.”. On 21 August 2015, we changed our name to “TLV Holdings Limited”. Our company registration number is 201526542C.

Pursuant to the Restructuring Exercise as described in the section entitled “Restructuring Exercise” of this Offer Document, our Company became the holding company of our Group.

Our Business

Our Group is principally engaged in the sale of jewellery in both local and international markets and on both a wholesale and retail basis.

We also engage in the business of providing pawnbroking services and retail of pre-owned jewellery and watches.

Please refer to the section entitled “General Information on Our Group – Business Overview” of this Offer Document for further details.

Our Competitive Strengths

Our Directors believe our competitive strengths are as follows:

- We are able to keep up with local and international consumer trends and preferences
- We enjoy economies of scale
- We have a short value chain
- We offer a wide range of jewellery
- We have strong and long-standing relationships with our suppliers
- We have an experienced management team
- Our brand “Taka Jewellery” is an established home-grown brand
- We are an established participant in the Exhibitions Business

Please refer to the section entitled “General Information on Our Group – Competitive Strengths” of this Offer Document for further details.

OFFER DOCUMENT SUMMARY

Our Business Strategies and Future Plans

Our business strategies and future plans for the continued growth of our business are as follows:

- We intend to acquire our retail outlets
- We intend to widen our range of jewellery and casings
- We intend to expand through acquisitions, joint ventures and/or strategic alliances

Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document for further details.

Where you can find us

Our registered office is located at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181. Our telephone and facsimile numbers are +65 6746 8777 and +65 6746 2309 respectively.

FINANCIAL HIGHLIGHTS

The following summary of financial information should be read in conjunction with the full text of this Offer Document, including the “Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years Ended 31 March 2013, 2014 and 2015” set out in Appendix A of this Offer Document, as well as the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

Selected items from the audited combined statements of comprehensive income of our Group

(S\$'000)	FY2013	FY2014	FY2015
Revenue	123,228	112,788	153,984
Gross profit	14,046	15,484	43,953
Profit before tax	9,550	10,451	12,679
Profit after tax	7,998	8,479	10,663
Pre-Placement EPS (cents)⁽¹⁾	1.6	1.7	2.2
Post-Placement EPS (cents)⁽²⁾	1.4	1.5	1.9

Notes:

- (1) For comparative purposes, the pre-Placement EPS for the Period Under Review has been computed based on the net profit for the year and our pre-Placement share capital of 492,456,000 Shares.
- (2) For comparative purposes, the post-Placement EPS for the Period Under Review has been computed based on the net profit for the year and our post-Placement share capital of 565,506,000 Shares.

OFFER DOCUMENT SUMMARY

Selected items from the audited combined statements of financial position of our Group

(S\$'000)	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Non-current assets	3,389	5,824	13,047
Current assets	117,283	134,081	156,722
Total assets	120,672	139,905	169,769
Non-current liabilities	4,089	3,181	3,302
Current liabilities	55,084	69,434	84,391
Total liabilities	59,173	72,615	87,693
NAV	61,499	67,290	82,076
NAV per Share (cents)⁽¹⁾	12.5	13.7	16.7

Note:

(1) The NAV per Share has been computed based on our pre-Placement share capital of 492,456,000 Shares.

THE PLACEMENT

Placement Size	:	76,459,000 Placement Shares comprising 70,777,000 New Shares and 5,682,000 Vendor Shares offered in Singapore. The Placement Shares, upon issue and allotment, will rank <i>pari passu</i> in all respects with the existing issued Shares.
Placement Price	:	S\$0.22 for each Placement Share, payable in full on application.
The Placement	:	The Placement comprises a placement of 76,459,000 Placement Shares at the Placement Price, subject to and on the terms and conditions of this Offer Document.
Purpose of the Placement	:	<p>Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and internationally and enable us to tap the capital markets to fund our business growth.</p> <p>The Placement will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company.</p>
Listing Status	:	Prior to the Listing, there had been no public market for our Shares. Our Shares will be quoted on Catalist in Singapore dollars, subject to admission of our Company to Catalist and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST.
Risk Factors	:	Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.
Use of Proceeds	:	Please refer to the section entitled “Use of Proceeds from the Placement and Expenses Incurred” of this Offer Document for more details.

RISK FACTORS

We are exposed to a number of possible risks that may arise from economic, business, market and financial factors and developments that may have an adverse impact on our future performance.

Investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Document before deciding to invest in our Shares. To the best of our Directors' knowledge and belief, all risk factors which are material to investors in making an informed judgement of our Group have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, our business, financial condition and/or results of operations could be materially and adversely affected. In such cases, the trading price of our Shares could decline due to any of these considerations, uncertainties or material risks, and investors may lose all or part of their investment in our Shares.

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Offer Document.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

We may not be able to identify market trends and consumer preferences

The success of our business is highly dependent on our ability to identify market trends and consumer preferences for jewellery. Such market trends and consumer preferences for jewellery change from time to time due to changing aesthetics appeal and economic circumstances. We cannot assure you that we will be able to anticipate and respond to such changes in a timely manner, for example by enhancing our existing jewellery range or developing new lines of jewellery.

In the event that we are unable to anticipate and respond to changing market trends and consumer preferences in a timely manner, there may be a lower demand for our jewellery and our business and financial performance may be adversely affected.

Our business is dependent on the sales generated from our participation in Exhibitions and we are exposed to the risks of non-participation and/or cancellations of, and low turnouts at such Exhibitions

We regularly participate in Exhibitions and the sales generated from such participation generate a significant amount of revenue for our Group, accounting for 50.4% of our total revenue in FY2015. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document for further details.

There is no assurance that we will be able to continue to participate in such Exhibitions, that such Exhibitions will continue to be held, that the turnout at such Exhibitions will be good or that we would be able to generate the same or comparable amounts of revenue from the participation in such Exhibitions. In the event of any of the foregoing, our business and financial performance may be materially and adversely affected.

RISK FACTORS

Our business may be affected by disruptions to the consumer traffic to our retail outlets

Our business depends, to a significant extent, on the accessibility of our retail outlets to consumers. Factors such as the availability of amenities such as public transportation, parking lots and the location of the retail outlet, and whether it is in a central or shopping district or located in a shopping mall, affects such accessibility.

We cannot assure you that our retail outlets will continue to enjoy the level of accessibility that it presently has to consumers. Events such as temporary closures of the transportation facilities for upgrading, or public works in the vicinity of our retail outlets, or renovation works in the shopping district or in the shopping malls in which our retail outlets are situated may adversely affect the consumer traffic to our retail outlets. In such an event our business and financial performance may be materially and adversely affected.

We operate in a competitive business environment

We operate in a competitive environment and face competition from existing competitors, both on a local and on an international level. Some of our competitors may have longer operating histories, significantly greater financial strength and greater access to direct sources of raw materials. As a result, these competitors may also be able to adopt more aggressive pricing policies and devote greater resources to the development, promotion and sale of their products than we can. Please refer to the section entitled “General Information on our Group – Industry Overview and Competition” of this Offer Document for further details.

If we fail to compete effectively against our competitors, our business and financial performance may be materially and adversely affected.

Our business may be affected by the non-renewal of leases of our retail outlets or the inability to renew such leases on terms acceptable to us

As at the Latest Practicable Date, we lease premises for all of our retail outlets. The success of our retail outlets is significantly dependent on their location and accessibility to consumers. Further, ideal locations for our retail outlets in Singapore are in limited supply and are typically heavily sought after by our competitors. As such, it is important that our existing leases are renewed. Please refer to the section entitled “Risk Factors – Risks Relating to our Industry and Business, Our business may be affected by disruptions to the consumer traffic to our retail outlets” of this Offer Document for further details.

Further, rental costs form a significant component of our total operating expenses, accounting for 22.9% of our total operating expenses in FY2015. Please refer to the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document for further details. In recent years, overall property prices and rental-related expenses in Singapore have increased significantly, which also impacts the locations where we operate.

There is no assurance that each of our leases can be renewed upon expiry or can be renewed on commercially acceptable terms. In such an event, we may need to relocate to alternative premises or close our retail outlets. Closing down and relocation expenses may be significant and we cannot assure you that we will be able to find suitable alternatives to our current premises. In the event that we are unable to renew our leases upon expiry, or negotiate the renewal of our leases on commercially acceptable terms, our business and financial performance may be materially and adversely affected.

RISK FACTORS

Our business may be affected by foreign labour shortages or increased costs of foreign labour

Due to the relative lack of and the higher cost of local workers in the service industry, we have become partially reliant on foreign labour. As at the Latest Practicable Date, we employ 70 full-time foreign workers out of a total of 168 employees in Singapore. Any shortage of supply of or increase in the cost of foreign workers may materially and adversely affect our business and financial performance.

As such, we are vulnerable to changes in the availability and costs of employing foreign workers. Levies are also imposed by the MOM on such foreign workers. The tightening of such quota or the increase in the levies on such foreign workers could affect our operations. Any changes in the labour policies of the countries of origin of these foreign workers may affect the supply and/or cost of foreign workers. In the event that there is a shortage of foreign workers to meet our operational requirements or an increase in the cost of hiring such foreign workers due to any of the foregoing reasons, our business and financial performance may be adversely affected.

Our business may be affected by rising labour costs and difficulty in retaining or recruiting employees

We require a large number of staff to fill our sales positions for our existing retail outlets and any new retail outlets to be opened by our Group in the future, as well as for our participation in Exhibitions. Having a team of experienced, skilled and trustworthy staff is essential to our operations. Our ability to meet our labour requirements may be subject to numerous external factors, in particular prevailing labour costs including wage rates and applicable levies, demographics, and health and insurance costs.

Our growth plans will require us to hire, train and retain a significant number of new employees in the future. With the increasing demand for sales personnel, we may have to increase wages and employee benefits to attract and retain experienced and qualified personnel or risk considerable employee turnover. In the event that we are unable to pass on such wage increases to the customers, our business may be materially and adversely affected. Further, if we are unable to hire, train and retain experienced and qualified employees or seek suitable and timely replacements for such employees, our customer satisfaction levels may decrease and this may materially and adversely affect our business and financial performance.

Our continued growth and success is dependent on certain key management personnel

Our Managing Director, Mr Michael Teo and our Executive Director, Mr Ang Kah Leong, and our Executive Officers, have contributed significantly to the development and growth of our Group. In particular we are dependent on the expertise and experience of our Managing Director, Mr Michael Teo and our Executive Director, Mr Ang Kah Leong, each of whom has more than 30 years of experience in the jewellery industry. The continued growth and success of our Group is dependent to a large extent on our ability to retain the services of our Managing Director, our Executive Director and our Executive Officers. The loss of any of our Managing Director, our Executive Director and our Executive Officers without suitable and timely replacements, and the inability to attract and retain qualified personnel will adversely affect our operations and financial performance.

RISK FACTORS

We are dependent on our established corporate name and reputation

We consider the reputation of our corporate names and brands such as “Taka Jewellery”, “Voi” and “Lovis Diamonds”, to be vital in promoting product recognition and customer loyalty. Having an established corporate name and reputation is also vital in developing and maintaining trustworthiness between customers and long term relationships with our suppliers. Hence, if there are any major defects in our jewellery or any adverse publicity on our Group due to circumstances beyond our control, our corporate image and reputation may be adversely affected. Our customers and suppliers may lose confidence in our jewellery and the integrity of our business practices and this may materially and adversely affect our business and financial performance.

Furthermore, while we implement a set of standard protocol to ensure a uniform shopping experience and consistent high-quality customer service, there is no assurance that our sales personnel will not make decisions or take individual actions that are not in the best interests of our Group, which may lead to uneven shopping experiences and inconsistent customer service for our customers, which would harm our corporate name and reputation and may materially and adversely affect our business and financial performance. As at the Latest Practicable Date, there are no incidences involving major defects in our Group’s jewellery or any material adverse negative publicity on our Group.

We are dependent on our major suppliers for raw materials and manufacturing services

We purchase raw materials such as precious stones, semi-precious stones, pearls and precious metals, and manufacturing services from our major suppliers. Our purchases from our major suppliers as set out in the section entitled “General Information on our Group – Major Suppliers and Manufacturing Sub-Contractors” of this Offer Document accounted for an aggregate of 73.9%, 66.8% and 78.6% of our total purchases in FY2013, FY2014 and FY2015 respectively. As such, we are dependent on our major suppliers and manufacturing sub-contractors.

The cost of raw materials and manufacturing services may fluctuate due to factors such as increased demand, limited supply, interest rates, global or regional economic, political or regulatory events. There is no assurance that we would be able to continue securing raw materials or manufacturing services from our major suppliers on similar or favourable terms and conditions. We are also unable to provide any assurance that the quality of the raw materials and manufacturing services rendered by these major suppliers and manufacturing sub-contractors will continue be satisfactory.

In the event of any of the above occurring and we are unable to pass on any price increases to our customers or seek alternative major suppliers and manufacturing sub-contractors to provide us with comparable quality of raw materials and/or manufacturing services on the same terms or on commercially acceptable terms, our business and financial performance will be adversely affected.

Our manufacturing sub-contractors are subject to political, regulatory, economic and social conditions in the Guangdong Province of the PRC

As our jewellery is manufactured by our manufacturing sub-contractors located in the Guangdong province of the PRC, our business and financial performance is dependent on our ability to continue to import raw materials into and export jewellery from, and our manufacturing sub-contractors’ ability to manufacture jewellery in the Guangdong province of the PRC.

RISK FACTORS

We are therefore exposed to risks in relation to potential restrictive import and export policies implemented by the relevant authorities of the PRC. Any changes in the policies implemented by the relevant authorities of the PRC which may result in currency and interest rate fluctuations, inflation, capital restrictions, price and wage controls, expropriation and changes in taxes and duties may materially and adversely affect our business and financial performance.

Our manufacturing sub-contractors which are located in the Guangdong province of the PRC could also be adversely affected by changes in local economic and social conditions such as increases in wage levels, labour strikes or unrest, widespread public health problems in the Guangdong province of the PRC such as a renewed outbreak of Severe Acute Respiratory Syndrome (“SARS”), avian flu or similar epidemics, which could have an adverse impact on the manufacturing capacity of our manufacturing sub-contractors and result in increases in our cost of production or disruptions to our supply of jewellery. In the event that we are unable to seek alternative major suppliers and manufacturing sub-contractors to provide us with comparable quality of manufacturing services at competitive prices on a timely basis, our business and financial performance will be adversely affected.

We may be subject to inventory risks

In the event that we are not able to meet the changing consumer preferences in a timely manner, we may also be subject to significant inventory risks. We may be required to take inventory markdowns, which may adversely affect our business and profitability. If we are unable to sell any of our jewellery, the cost of holding and managing a significant level of inventory, including but not limited to warehousing and logistics costs as well as insurance costs, may be significantly increased and this may have a material and adverse impact on our business and financial performance. Please refer to the section entitled “General Information on our Group – Inventory Management” of this Offer Document for further details.

We may be affected by damages or losses arising from pilferage, thefts and burglaries

Our employees and third parties including our manufacturing sub-contractors handle our raw materials and/or jewellery on a daily basis. Lapses in internal controls may occur, resulting in pilferage. Due to the nature of our business, we may also experience risk relating to security and safety hazards such as a hostage situation during the course of a robbery, which may disrupt our business operations.

To the best of our Directors’ knowledge, save for two (2) previous instances of pilferage that occurred in the retail outlets that were operated by Taka Gold, our Group (including the business of Taka Gold which we acquired pursuant to the Business Acquisition) has not encountered any instances of pilferage, theft and robbery since our establishment in 1997. Although we have put in place security and safety measures, there is no assurance that cases of pilferage, theft and robbery will not occur. For further details on such measures, please refer to the section entitled “General Information of our Group – Inventory Management” of this Offer Document.

In the event should any material pilferage, theft or robbery occur which is not adequately covered by our insurance policies, our business and financial performance may be adversely affected.

RISK FACTORS

We could be implicated by the leakage or misappropriation of our customers' personal information which could harm our relationship with them, subject us to legal or regulatory actions and cause us to suffer financial loss and/or harm our reputation.

Our business requires us to retain information pertaining to our customers, suppliers and manufacturing sub-contractors, as well as routinely transmit personal, confidential and proprietary information, such as customers' credit card details, over public networks. Although we have employed measures to protect against unauthorised access of such personal, confidential and proprietary information, our current security measures may not be adequate. Any party who can circumvent our security systems may be able to misappropriate or misuse such information or disrupt our operations.

Failure to establish adequate safeguards to protect the personal data in our possession against accidental or unlawful loss or modification, unauthorised access, use or similar risks would result in security breaches or material non-compliance with third party security requirements with respect to sensitive personal data, thereby exposing us to the imposition of fines or regulatory action such as those provided under the PDPA, potential withdrawal of merchant POS services, a risk of loss or litigation and potential liability for failing to secure confidential customer, supplier and manufacturing sub-contractor information. In the event that we are unable to assure the security of such personal data in our possession, our business, reputation, results of operations, financial condition and prospects may be adversely affected.

We are exposed to foreign exchange risks

Our sales are pre-dominantly denominated in S\$ and US\$, while our purchases are denominated in US\$, HK\$ and S\$. If the US\$ fluctuates adversely against S\$, our business and financial performance may be materially and adversely affected. This is due to our sales and purchases not matching naturally in the same currencies and timing differences between invoicing and collection or payment. In addition, further fluctuation in the currency exchange rates may also result in translation differences on consolidation as S\$ is our reporting currency. Any such translation differences will be recorded as translation reserves or deficits as part of our shareholders' equity and may have a material and adverse impact on our business and financial performance. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Foreign Exchange Management" of this Offer Document for more information.

We currently do not have a formal hedging policy and have not used any financial hedging instrument to manage our foreign exchange risk.

We may not have adequate insurance coverage

We maintain general insurance policies where practicable covering both our assets and employees in line with general business practices in the retail, exhibitions and pawnbroking industries, with policy specifications and insured limits which we believe are reasonable and adequate.

The occurrence of certain incidents, including fraud or other misconduct committed by our employees or third parties, fire, severe weather conditions, earthquake, war, flooding and power outage, and the consequences resulting therefrom may not be covered adequately, if at all, by our insurance policies. If we incur substantial liabilities which are not covered by our insurance policies, or if our business operations are interrupted for more than a short period of time, we may

RISK FACTORS

incur expenses and losses that would materially and adversely affect our business and financial performance. For further details on our insurance coverage, please refer to the section entitled “General Information on our Group – Insurance” of this Offer Document.

There is no assurance that our expansion plans will be successful

We have identified growth plans as described under the section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document. These expansion plans, to the extent that they are to be funded other than from the proceeds of the Placement, may strain our financial resources. It may also overstretch our management resources and require us to reorganise our management structure. Moreover, the success of our expansion plans depends on many other factors, some of which are beyond our control. In the event that we are not able to manage our expansion plans successfully, our future growth and profitability may be adversely affected.

For instance, the growth of our business in Singapore will depend principally on our ability to expand our retail network by sourcing suitable locations for new retail outlets, which is subject to various contingencies, including our ability to negotiate commercially acceptable terms, the expected pedestrian flow, the accessibility, the level of surrounding competition and our ability to hire, train and retain qualified personnel in time to support these new retail outlets.

There can be no assurance that suitable locations will be available for our proposed retail outlets or that our negotiations on commercially acceptable terms will be successfully concluded. There can also be no assurance that our proposed expansion plans would enable us to achieve the targeted sales levels and profitability. Furthermore, the costs associated with opening new retail outlets may adversely affect our profitability, which may adversely affect our operations and financial performance.

Our business may be affected by natural disasters, terrorist attacks, infectious diseases and other events beyond our control

Severe weather conditions, natural disasters such as earthquakes, floods, landslides and other incidents such as outbreak of fire or other emergency risks could materially and adversely affect our business and financial performance or those of our suppliers and customers.

Any occurrence of terrorist attacks, acts of violence and/or wars may lead to uncertainties in the economies of the countries in which we, our customers and our suppliers operate. Political and economic instability in some regions of the world may also result from such terrorist attacks and armed conflicts, and could have a material and adverse impact on our business.

An outbreak of contagious disease may have a material and adverse effect on our business and financial performance or those of our suppliers and customers. An outbreak of SARS, avian influenza, H1N1, H7N9, Middle East Respiratory Syndrome Coronavirus (“**Mers-CoV**”), Ebola virus disease (“**EVD**”) or other contagious diseases may interrupt economic activity, disrupt production of our jewellery, and affect demand for our jewellery.

There is no assurance that natural disasters, terrorist attacks, acts of violence, wars, outbreaks of SARS, avian influenza, H1N1, H7N9, Mers-CoV, EVD or other contagious diseases, or measures taken by the governments of affected countries against such potential outbreaks will not materially affect our business or those of our customers and suppliers. In such an event, our business and financial performance may be materially and adversely affected.

RISK FACTORS

Our business may be affected by global economic uncertainties

Macroeconomic factors such as economic growth, income level, employment levels, tax rates and government policies will affect the consumers' spending and disposable income for luxury goods. During economic downturns, consumers may be more cautious in their expenditure by adopting a conservative spending behaviour on luxury goods, which will affect the demand for jewellery. Given the uncertainties of the future economic outlook, there is no assurance that we will be able to maintain or continue the growth of our business, or that we will be able to react promptly to any change in economic conditions. In the event that we fail to react promptly to the changing economic conditions, our business and financial performance could be adversely affected.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

Investment in shares quoted on Catalist involves a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be associated with as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST and the future success and liquidity in the market of our Shares cannot be guaranteed.

Investors in our Shares will face immediate dilution and may experience further dilution

Our Placement Price of S\$0.22 per Share is higher than our NAV per Share of 16.9 cents (based on the post-Placement NAV as referred to in the section entitled "Dilution" of this Offer Document and as adjusted for the net proceeds from the issue of Placement Shares). If we were liquidated immediately following the Placement, each investor subscribing for the Placement Shares would receive less than the price he paid for the Shares. Please refer to the section entitled "Dilution" of this Offer Document for further details.

Future dilution may result due to capital requirement

Our working capital and capital expenditure needs may vary materially from those presently planned. If we do not meet our goals with respect to revenues or costs are higher than anticipated, substantial additional funds may be required. Even if we exceed our goals, our success may introduce new opportunities that may have to be fulfilled quickly and this could also result in the need for substantial new capital. We may have to raise additional funds to meet the new capital requirements. These additional funds may be raised through the issuance of new Shares. In such events, if any Shareholder is unable or unwilling to participate in such fund raising, such Shareholder may experience dilution in his investment.

Future sales or issuance of our Shares could materially and adversely affect our Share price

Any future sale or issuance or availability of a large number of our Shares in the public market or perception thereof may have a downward pressure on our Share price. These factors also affect our ability to sell additional equity securities in the future, at a time and price we deem appropriate. Save as disclosed in the section entitled "Shareholders – Moratorium" of this Offer Document and subject to all applicable laws and regulations, there will be no restriction on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise.

RISK FACTORS

In addition, our Share price may be under downward pressure if certain of our Shareholders sell their Shares upon the expiry of their moratorium periods.

There has been no prior market for our Shares and the Placement may not result in an active or liquid market for our Shares

Prior to the Placement, there has been no public market for our Shares. Although we have made an application to the SGX-ST to list our Shares on the Catalist, there is no assurance that an active trading market for our Shares will develop, or if it develops, be sustained. There is also no assurance that the market price for our Shares will not decline below the Placement Price. The market price of our Shares could be subject to significant fluctuations due to various external factors and events including the liquidity of our Shares in the market, differences between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations.

Our Share price may be volatile in future which could result in substantial losses for investors purchasing Shares pursuant to the Placement

The trading price of our Shares may fluctuate significantly and rapidly after the Placement as a result of, among others, the following factors, some of which are beyond our control and may be unrelated or disproportionate to our financial results:

- variations of our operating results;
- changes in securities analysts' recommendations, perceptions and estimates of our financial performance;
- changes in market valuations and share prices of companies with businesses similar to our Group's business that may be listed in Singapore or elsewhere;
- additions or departures of our key management personnel;
- material changes or uncertainty in the political, economic and regulatory environment in the markets that we operate;
- fluctuations of stock markets prices and volume;
- announcements by us of significant acquisitions, strategic alliances or joint ventures;
- successes or failures of our efforts in implementing business and growth strategies;
- involvement in litigations; and
- changes in general economic and stock market conditions.

The actual performance of our Company may differ materially from the forward-looking statements in this Offer Document

This Offer Document contains forward-looking statements, which are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside our control. Furthermore, our revenue and financial performance are dependent on a number of external factors, including demand for our jewellery which may decrease for various

RISK FACTORS

reasons, such as increased competition within the industry or changes in applicable laws and regulations. We cannot assure you that these assumptions will be realised and our actual performance will be as projected.

Negative publicity which includes those involving our Group, any of our Directors, Executive Officers, Controlling Shareholders or Substantial Shareholders may materially and adversely affect our Share price

Negative publicity or announcements involving our Group, any of our Directors, Executive Officers, Controlling Shareholders or Substantial Shareholders may materially and adversely affect the market perception or the performance of our Shares, whether or not it is justifiable. Examples of these include unsuccessful attempts in joint ventures, acquisitions or takeovers, or involvement in insolvency proceedings.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders will depend on our future financial performance and distributable reserves of our Company, which, in turn, depends on us successfully implementing our strategies and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand for and selling prices of our products and services and other factors specific to our industry, many of which are beyond our control. As such, notwithstanding the disclosure in the section entitled “Dividend Policy” of this Offer Document, there is no assurance that our Company will be able to pay dividends to our Shareholders after the completion of the Placement. In the event that our Company enters into any loan agreements in the future, covenants therein may also limit when and how much dividends it can declare and pay.

USE OF PROCEEDS FROM THE PLACEMENT AND EXPENSES INCURRED

The aggregate estimated net proceeds to be raised from the issue of the Placement Shares (comprising the New Shares and the Vendor Shares), after deducting the aggregate estimated expenses of approximately S\$2.4 million, is approximately S\$14.4 million.

The net proceeds to be raised by our Company from the issue of the New Shares, after deducting our share of the estimated cash expenses to be borne by us of approximately S\$2.4 million, will be approximately S\$13.2 million.

We will not receive any of the proceeds from the Vendor Shares sold by the Vendor in the Placement. The net proceeds attributable to the Vendor from the sale of the Vendor Shares, after deducting the Vendor's share of the expenses of S\$43,751, will be approximately S\$1.2 million.

The allocation of each principal intended use of proceeds from the issue of the Placement Shares and the estimated listing expenses is set out below:

Use of proceeds from the Placement	Amount (S\$'000)	Estimated amount allocated for each dollar of the proceeds raised from the issue of the New Shares (as a % of gross proceeds)
Acquisition of retail outlets ⁽¹⁾	3,000	19.3
Expansion through acquisitions, joint ventures and/or strategic alliances ⁽¹⁾	3,000	19.3
Working capital ⁽²⁾	7,213	46.3
Net proceeds	13,213	84.9
Expenses to be borne by our Company		
Professional fees and expenses ⁽³⁾⁽⁵⁾	1,534	9.8
Placement commission ⁽⁴⁾	545	3.5
Miscellaneous expenses (including listing fees) ⁽⁵⁾	279	1.8
Gross proceeds from the Placement Shares	15,571	100.0

Notes:

- (1) For further details, please refer to the section entitled "Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans" of this Offer Document.
- (2) It is intended that S\$6.0 million will be used for the widening of our range of jewellery and casings. For further details, please refer to the section entitled "Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans" of this Offer Document.
- (3) The professional fees exclude the management fee to be paid by our Company to PPCF by the issue and allotment of 1,591,000 PPCF Shares to PPCF representing approximately 0.3% of the issued share capital of our Company prior to the Placement of the Placement Price for each Share. For details, please refer to the section entitled "Shareholders" of this Offer Document.
- (4) The amount of placement commission per New Share, agreed upon between the Placement Agent and the Company is 3.5% of the Placement Price for each New Share. Please refer to the section entitled "General and Statutory Information – Placement Arrangement" of this Offer Document for further details.

USE OF PROCEEDS FROM THE PLACEMENT AND EXPENSES INCURRED

- (5) The estimated cash expenses to be borne by our Company amounted to approximately S\$2.4 million, out of which approximately S\$0.7 million will be capitalised against the share capital of our Company and the balance of the estimated expenses will be charged to the profit and loss account of our Company.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Placement.

Pending the deployment of the net proceeds from the issue of the New Shares as aforesaid, the funds will be placed in short-term deposits with financial institutions, used to invest in short term money market instruments and/or used for our working capital requirements as our Directors may deem appropriate.

We will make periodic announcements on the use of the net proceeds from the issue of the New Shares as and when the funds are materially disbursed, and provide a status report on the use of the proceeds in our annual report. Any change in the use of the net proceeds from the issue of the New Shares will be subject to the Catalist Rules and appropriate announcements will be made by our Company on SGXNET at the SGX-ST's website, <http://www.sgx.com>.

Please refer to the section entitled "Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans" of this Offer Document for further details on our future plans.

LISTING EXPENSES

The aggregate estimated amount of expenses of the Placement and of the application for Listing, including the placement commission in respect of the Placement Shares, management fees, legal and audit fees, fees payable to the SGX-ST and all other incidental expenses in relation to this Placement (but excluding that part of the management fees payable to PPCF to be satisfied by the issuance of the PPCF Shares) is approximately S\$2.4 million.

The Vendor will bear a portion of the estimated listing expenses incurred in connection with the Placement, comprising the placement commission in respect of the Vendor Shares, amounting to S\$43,751.

PLACEMENT STATISTICS

PLACEMENT PRICE 22.0 cents

NAV

NAV per Share based on the audited combined balance sheet of our Group as at 31 March 2015:

(a) before adjusting for the estimated net proceeds from the Placement and based on our Company's pre-Placement share capital of 492,456,000 Shares 16.7 cents

(b) after adjusting for the estimated net proceeds from the Placement and based on our Company's post-Placement share capital of 565,506,000 Shares 16.9 cents

Premium of Placement Price over the NAV per Share based on the audited combined balance sheet of our Group as at 31 March 2015:

(a) before adjusting for the estimated net proceeds from the Placement and based on our Company's pre-Placement share capital of 492,456,000 Shares 31.7%

(b) after adjusting for the estimated net proceeds from the Placement and based on our Company's post-Placement share capital of 565,506,000 Shares 30.2%

Earnings per Share

Historical EPS based on the audited combined statement of comprehensive income of our Group for FY2015 and our Company's pre-Placement share capital of 492,456,000 Shares 2.2 cents

Historical EPS based on the audited combined statement of comprehensive income of our Group for FY2015 and our Company's pre-Placement share capital of 492,456,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2015 2.2 cents

PER

Historical PER based on the Placement Price and the historical EPS for FY2015 10.0 times

Historical PER based on the Placement Price and the historical EPS for FY2015, assuming that the Service Agreements had been in place since the beginning of FY2015 10.0 times

Net operating cash flow⁽¹⁾

Historical net operating cash flow per Share for FY2015 based on our Company's pre-Placement share capital of 492,456,000 Shares 0.4 cents

Historical net operating cash flow per Share for FY2015 based on our Company's pre-Placement share capital of 492,456,000 Shares, assuming that the Service Agreements had been in place since the beginning of FY2015 0.4 cents

PLACEMENT STATISTICS

Price to net operating cash flow

Ratio of Placement Price to historical net operating cash flow per Share for FY2015 55.0 times

Ratio of Placement Price to historical net operating cash flow per Share for FY2015, assuming that the Service Agreements had been in place since the beginning of FY2015 55.0 times

Market capitalisation

Our market capitalisation based on the Placement Price and our Company's post-Placement share capital of 565,506,000 Shares S\$124.4 million

Note:

(1) Net operating cash flow refers to the net cash flows from operating activities.

EXCHANGE RATES

The reporting currency of our Group is in S\$. The following table sets out, for each of the financial years or period indicated, the average and closing exchange rates for US\$/S\$ and HK\$/S\$. Where applicable, the exchange rates in the table below are used for the translation of the Company's financial statements disclosed elsewhere in this Offer Document.

	US\$ to S\$		HK\$ to S\$	
	Average	Closing	Average	Closing
FY2013	1.2414	1.2417	0.1602	0.1593
FY2014	1.2587	1.2606	0.1623	0.1633
FY2015	1.2836	1.3752	0.1656	0.1774

Source: The Straits Times

The table below sets forth the highest and lowest exchange rates between US\$ to S\$ and HK\$ to S\$ for each month for the past six (6) months prior to the Latest Practicable Date. The table below indicates how much S\$ can be bought with one (1) US\$ and one (1) HK\$ respectively:

Month	US\$ to S\$		HK\$ to S\$	
	High	Low	High	Low
February 2015	1.3603	1.3461	0.1754	0.1737
March 2015	1.3927	1.3625	0.1793	0.1757
April 2015	1.3746	1.3200	0.1773	0.1703
May 2015	1.3506	1.3206	0.1742	0.1704
June 2015	1.3585	1.3337	0.1753	0.1721
July 2015	1.3727	1.3461	0.1771	0.1736
1 August 2015 to the Latest Practicable Date	1.4062	1.3723	0.1813	0.1770

Source: OANDA Corporation

As at the Latest Practicable Date, the US\$/S\$ and HK\$/S\$ exchange rate was US\$1.00 to S\$1.3974 and HK\$1.00 to S\$0.1803 respectively.

Notes:

- (1) The above exchange rates have been calculated with reference to exchange rates quoted from The Straits Times and OANDA Corporation and should not be construed as representation that the US\$ and HK\$ amounts actually represent such amounts or could be converted into the S\$ at the rate indicated, or at any other rate, or at all.
- (2) The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors, the Vendor and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.
- (3) OANDA Corporation has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors, the Vendor and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

DIVIDEND POLICY

Our Company has not distributed any dividends since its incorporation on 22 June 2015.

Our subsidiary, Taka Singapore, has declared and paid out dividends during the Period Under Review as follows:

Dividend in respect of	Dividend declared in	Dividend paid in	Amount (S\$'000)
FY2013	FY2013	FY2013	2,688
FY2014	FY2015	FY2016	5,004

Although we currently do not have a formal dividend policy, we wish to reward our Shareholders for participating in our Group's growth through the distribution of dividends out of our profit attributable to Shareholders for FY2016 ("**FY2016 Profits**"). Assuming our intention was to accord Shareholders a dividend yield of 3.0% based on our post-Placement market capitalisation of \$124.4 million, we would have had to pay out 35.0% ("**Intended Minimum Dividend Payout**") of our profits attributable to Shareholders in FY2015 or approximately S\$3.7 million in dividends to our Shareholders. Subject to our level of FY2016 Profits and our Group's cash requirements, we intend to improve on the Intended Minimum Dividend Payout out of our FY2016 Profits which should accord Shareholders an improved dividend yield based on the Placement Price.

We may declare dividends by way of an ordinary resolution of our Shareholders at a general meeting, but may not pay dividends in excess of the amount recommended by our Board of Directors. The declaration and payment of dividends will be determined at the sole discretion of our Directors, subject to the approval of our Shareholders. There can be no assurance that dividends will be paid in the future and the amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future.

The form, frequency and amount of declaration and payment of future dividends on our Shares that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as other factors deemed relevant by our Directors:

- (a) the level of our cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and expansion plans;
- (d) our working capital requirements and general financing condition; and
- (e) restrictions on payment of dividends imposed on us (if any).

Our Directors may also declare an interim dividend without the approval of our Shareholders. In making their recommendations, our Directors will consider, *inter alia*, our retained earnings and expected future earnings, operations, cash flow, capital requirements and general financing condition, as well as general business conditions and other factors which our Directors may deem appropriate. Future dividends will be paid by us as and when approved by our Shareholders (if necessary) and Directors.

For information relating to taxes payable on dividends, please refer to the section entitled "Taxation" as set out in Appendix D of this Offer Document.

SHARE CAPITAL

Our Company (company registration number 201526542C) was incorporated in Singapore on 22 June 2015 under the Companies Act as a private limited company under the name “TLV Holdings Pte. Ltd.”. As at the date of incorporation, our issued and paid-up share capital was S\$0.33 comprising two (2) Shares. On 21 August 2015, our Company converted into a public limited company and changed our name to “TLV Holdings Limited”.

Pursuant to the written resolutions passed by our Shareholders on 18 August 2015, our Shareholders approved, *inter alia*, the following:

- (i) the issue and allotment of an aggregate of 492,455,998 new fully paid-up Shares to the Taka Singapore Shareholders pursuant to the Share Swap Agreement, details of which are set out in the section entitled “Restructuring Exercise” of this Offer Document;
- (ii) the listing and quotation of all the issued Shares (including the Vendor Shares) on Catalist;
- (iii) the adoption of a new set of Articles of Association;
- (iv) the issue and allotment of 1,591,000 PPCF Shares to PPCF in part satisfaction of their professional fees as the Issue Manager and Sponsor;
- (v) the issue and allotment of 682,000 GFC Shares to be issued and allotted to Kit Ng for services provided to our Group as our Group Financial Controller;
- (vi) the issue and allotment of 70,777,000 New Shares pursuant to the Placement, which when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing issued and fully paid-up Shares; and
- (vii) the authorisation of our Directors, pursuant to Section 161 of the Companies Act and the Catalist Rules to:
 - (a) (i) issue 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 during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares; and
 - (iii) notwithstanding that such authority may have ceased to be in force at the time that Instruments are to be issued, issue additional instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and
- (b) issue Shares in pursuance of any Instruments made or granted by our Directors while this resolution was in force,

SHARE CAPITAL

provided that:

- (1) the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this authority but excluding Shares which may be issued pursuant to any adjustments (“**Adjustments**”) effected under any relevant Instrument, which Adjustments shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of our Company), does not exceed 100.0% of the post-Placement issued share capital, excluding treasury shares, and provided further that the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders (including Shares to be issued pursuant to the Instruments made or granted pursuant to such authority but excluding Shares which may be issued pursuant to Adjustments effected under any relevant Instrument) shall not exceed 50.0% of the post-Placement issued share capital excluding treasury shares;
- (2) in exercising such authority, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of our Company: and
- (3) unless revoked or varied by our Company in general meeting by ordinary resolution, the authority so conferred shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

For the purpose of this resolution and pursuant to Rules 806(3) and 806(4) of the Catalist Rules, the “post-Placement issued share capital” shall mean the total number of issued Shares of our Company (excluding treasury shares) immediately after the Placement, after adjusting for: (i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities; and (ii) any subsequent bonus issue, consolidation or sub-division of Shares.

As at the date of this Offer Document, our Company has only one (1) class of shares, being ordinary shares. A summary of the Articles of Association of our Company relating to, among others, the voting rights of our Shareholders is set out in the section entitled “Summary of Selected Articles of Association of our Company” as set out in Appendix C of this Offer Document. There are no founder, management or deferred shares. Our existing Shares do not carry voting rights which are different from the Placement Shares.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$82.1 million comprising 492,456,000 Shares. Please refer to the section entitled “Restructuring Exercise” of this Offer Document for further details. Upon the issue and allotment of the New Shares, which are the subject of the Placement, the PPCF Shares and the GFC Shares, the resultant issued and paid-up share capital of our Company will be increased to S\$98.1 million comprising 565,506,000 Shares.

No person has, or has the right to be given an option to subscribe for or purchase any securities of our Company, our subsidiaries or our Associated Companies. As at the Latest Practicable Date, no option to subscribe for Shares in our Company has been granted to, or was exercised by, any of our Directors or Executive Officers.

SHARE CAPITAL

Details of changes in our issued and paid-up capital since our incorporation and our issued and paid-up share capital immediately after the Placement are as follows:

	Number of Shares issued	Increase in issued and paid-up share capital (S\$)
Issued and paid-up Shares as at our incorporation	2	0.33
Issue of Shares pursuant to the Restructuring Exercise⁽¹⁾	492,455,998	82,075,999.67
Issue of New Shares, PPCF Shares and GFC Shares	73,050,000	16,071,000 ⁽²⁾
Post-Placement issued and paid-up share capital	565,506,000	98,147,000

Notes:

- (1) Please refer to the section entitled “Restructuring Exercise” of this Offer Document for further details.
- (2) This does not take into account the capitalisation of the estimated expenses incurred in connection with the Placement.

The issued and paid up share capital of our Company as at (a) the date of incorporation; and (b) immediately before and after the Placement and the issuance of PPCF Shares and GFC Shares, are set forth below. This should be read in conjunction with Appendix A entitled “Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years Ended 31 March 2013, 2014 and 2015” of this Offer Document.

	As at the date of incorporation	Immediately before the Placement	Immediately after the Placement and the issuance of PPCF Shares and GFC Shares
Shareholders’ equity			
Number of issued and fully paid-up Shares	2	492,456,000	565,506,000
Shareholders’ equity (S\$)	0.33	82,076,000	97,405,000 ⁽¹⁾

Note:

- (1) This takes into account the capitalisation of the estimated expenses of approximately S\$0.7 million incurred in connection with the Placement.

Changes in issued and paid-up share capital

Save as disclosed above, there has been no other changes in the share capital of our Company since the date of our incorporation on 22 June 2015.

SHARE CAPITAL

Save as disclosed in this section entitled “Restructuring Exercise” of this Offer Document, no shares in or debentures of our Company, our subsidiaries or our Associated Companies have been issued, or are proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, during the last three (3) years preceding the date of lodgement of this Offer Document.

Save as disclosed below and in the section entitled “Share Capital” of this Offer Document, there were no changes in the issued and paid-up share capital of our Company, our subsidiaries and our Associated Companies within the three (3) years preceding the Latest Practicable Date:

(a) Our Company

Date	No. of ordinary shares issued/ Capital contributed (S\$)	Purpose of Issue	Resultant Issued Share Capital (S\$)
22 June 2015	2/0.33	Incorporation	0.33
17 August 2015	492,455,998/ 82,075,999.67	Share Swap Agreement	82,076,000.00

(b) Taka Singapore

Date	No. of ordinary shares issued/ Capital contributed (S\$)	Purpose of Issue	Resultant Issued Share Capital (S\$)
7 July 2014	921,445/ 8,571,302	Consideration for the Business Acquisition	17,574,357.20

(c) Globe Diamonds

Date	No. of ordinary shares issued/ Capital contributed (S\$)	Purpose of Issue	Resultant Issued Share Capital (S\$)
11 July 2012	100,000/100,000	Incorporation	100,000
29 April 2014	4,900,000/4,900,000	Shareholder investment	5,000,000

(d) Lovis

Date	No. of ordinary shares issued/ Capital contributed (S\$)	Purpose of Issue	Resultant Issued Share Capital (S\$)
17 May 2012	2/2	Incorporation	2

SHARE CAPITAL

(e) TCPL

Date	No. of ordinary shares issued/ Capital contributed (S\$)	Purpose of Issue	Resultant Issued share capital (S\$)
18 February 2013	2,000,000/2,000,000	Incorporation	2,000,000
7 May 2014	1,000,000/1,000,000	Shareholder investment	3,000,000

Additional Information on transfer of shares in Taka Singapore

Save as disclosed below, there has been no other transfer of shares in Taka Singapore within the three (3) years preceding the Latest Practicable Date:

Name of Transferor	Name of Transferee	Number of shares	Date of Transfer
Wang Khee Pong @ Wong Kee Pong ⁽¹⁾	Michael Teo	68,000	6 January 2013
	Ang Kah Leong	68,000	6 January 2013
	Sim Choon Lam	61,000	6 January 2013
	Lee Sui Hee ⁽⁵⁾	31,900	6 January 2013
	Sim Choon Beng	20,300	6 January 2013
	Chew Tiam Poh	17,100	6 January 2013
	Michael Teo	68,000	6 January 2014
	Ang Kah Leong	68,000	6 January 2014
	Sim Choon Lam	61,000	6 January 2014
	Lee Sui Hee ⁽⁵⁾	31,900	6 January 2014
	Sim Choon Beng	20,300	6 January 2014
	Chew Tiam Poh	17,100	6 January 2014
	Michael Teo	136,406	28 March 2014
	Ang Kah Leong	136,406	28 March 2014
	Sim Choon Lam	122,302	28 March 2014
Lee Sui Hee ⁽⁵⁾	64,272	28 March 2014	
Sim Choon Beng	40,901	28 March 2014	
Chew Tiam Poh	34,513	28 March 2014	
Chew Tiam Poh ⁽²⁾⁽⁵⁾	Michael Teo	17,100	22 January 2013
	Michael Teo	21,250	20 March 2013
	Michael Teo	17,100	24 March 2014
	Michael Teo	34,513	29 March 2014

SHARE CAPITAL

Name of Transferor	Name of Transferee	Number of shares	Date of Transfer
Sim Choon Lam ⁽³⁾⁽⁵⁾	Michael Teo	1,000,000	13 March 2015
	Ang Kah Leong	650,000	13 March 2015
	Irene Ng	36,604	13 March 2015
Sim Choon Beng ⁽⁴⁾⁽⁵⁾	Ang Kah Leong	231,192	13 March 2015

Notes:

- (1) Mr Wang Khee Pong @ Wong Kee Pong transferred his shares in Taka Singapore to the respective transferees on a pro-rata basis in respect of their respective entitlements which was satisfied mainly through the dividends they received from Taka Singapore. Following the transfer of his shares in Taka Singapore to the transferees on 28 March 2014, Mr Wang Khee Pong @ Wong Kee Pong ceased to be a shareholder of Taka Singapore. He is not related to any Director, Executive Officer, Controlling Shareholder or Substantial Shareholder.
- (2) Mr Chew Tiam Poh transferred his shares in Taka Singapore to Mr Michael Teo for the purpose of realising part of his investments in Taka Singapore.
- (3) Mr Sim Choon Lam transferred his shares in Taka Singapore to Mr Michael Teo, Mr Ang Kah Leong and Ms Irene Ng for the purpose of realising part of his investments in Taka Singapore.
- (4) Mr Sim Choon Beng transferred his shares in Taka Singapore to Mr Ang Kah Leong for the purpose of realising part of his investments in Taka Singapore.
- (5) Mr Sim Choon Lam and Mr Sim Choon Beng are brothers. Mr Chew Tiam Poh, Mr Sim Choon Lam, Mr Sim Choon Beng and Mr Lee Sui Hee are not related to any Director, Executive Officer or Controlling Shareholder. They have declared and confirmed that they are the registered holders and beneficial owners of their shareholdings in our Company and are not acting as a proxy or holding such Shares on trust or on behalf of any other party. They have further declared and confirmed that they have never participated in the management of the Company. In addition, our Managing Director, Mr Michael Teo and our Executive Director, Mr Ang Kah Leong, have declared and confirmed that they are the registered holders and beneficial owners of their shareholdings in our Company and are not acting as a proxy or holding such Shares in trust or on behalf of any other party. They have further declared and confirmed that they have not accepted any instruction nor is there any arrangement (whether written, verbal or otherwise) to act as the Managing Director and Executive Director of our Company respectively, or participate in the management of our Group on behalf of any third party.

SHAREHOLDERS

Our Directors and Shareholders and their respective shareholdings in our Company are set out below:

	Immediately before the Placement				Immediately after the Placement			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Goh Yeow Tin	–	–	–	–	–	–	–	–
Michael Teo	171,359,753	34.8	–	–	171,359,753	30.3	–	–
Ang Kah Leong	157,884,355	32.1	–	–	157,884,355	27.9	–	–
Lu King Seng	–	–	–	–	–	–	–	–
Chua Kern	–	–	–	–	–	–	–	–
Substantial Shareholders and their Associates (other than Directors)								
Lee Sui Hee	55,733,478	11.3	–	–	55,733,478	9.9	–	–
Chew Tiam Poh	25,031,165	5.1	–	–	25,031,165	4.4	–	–
ACIL ⁽¹⁾	33,957,000	6.9	–	–	28,275,000	5.0	–	–
Lim Choon Hian ⁽¹⁾	–	–	33,957,000	6.9	–	–	28,275,000	5.0
Other Shareholders								
Kit Ng	–	–	–	–	682,000	0.1	–	–
PPCF ⁽²⁾	–	–	–	–	1,591,000	0.3	–	–
Existing public Shareholders ⁽³⁾	48,490,249	9.8	–	–	48,490,249	8.6	–	–
New public Shareholders	–	–	–	–	76,459,000	13.5	–	–
Total	492,456,000	100.0			565,506,000	100.0		

Notes:

- (1) ACIL is a company incorporated in the British Virgin Islands. On 10 May 2013, ACIL entered into the Personal Consultancy Agreement, pursuant to which ACIL was engaged to provide private consultancy services to Mr Michael Teo and Mr Ang Kah Leong, which included, *inter alia*, advising them on matters relating to their various business interests. Pursuant to the Personal Consultancy Agreement, Mr Michael Teo and Mr Ang Kah Leong shall, among others, sell or procure the sale of such number of Shares to ACIL, such that ACIL will hold 6.0% of the post-Placement share capital of our Company, for a consideration of S\$1,250,040.
On 17 August 2015, ACIL exercised its entitlement and purchased an aggregate of 33,957,000 existing Shares in our Company for an aggregate consideration of S\$1,250,040, comprising 12,691,114 Shares from Mr Michael Teo, 11,693,110 Shares from Mr Ang Kah Leong, 4,127,690 Shares from Mr Lee Sui Hee, 1,853,839 Shares from Mr Chew Tiam Poh, 1,477,589 Shares from Mr Sim Choon Beng, 1,464,945 Shares from Mr Sim Choon Lam, 346,967 Shares from Ms Irene Ng, 169,398 Shares from Mr Koh Peng Heng and 132,348 Shares from Ms Julia Tan.
As at the Latest Practicable Date, the sole shareholder of ACIL is Mr Lim Choon Hian. Mr Lim Choon Hian is accordingly deemed to be interested in the Shares held by ACIL.
- (2) Pursuant to the Management Agreement and as part of PPCF's fees as the Issue Manager and Sponsor, our Company will issue and allot 1,591,000 PPCF Shares to PPCF at the Placement Price for each PPCF Share. Upon completion of the relevant moratorium periods as set out in the section entitled "Share Capital – Moratorium" of this Offer Document, PPCF will dispose of its shareholding interests in our Company at its discretion.
- (3) The existing public Shareholders, Mr Koh Peng Heng, Ms Irene Ng, Ms Julia Tan, Mr Sim Choon Beng and Mr Sim Choon Lam, are not related to our Directors, Substantial Shareholders or Controlling Shareholders of our Company or our subsidiary companies or each of their Associates, and in accordance with Rule 406(2) of the Catalist Rules, are considered existing public Shareholders. Accordingly, their shareholdings are included for the purposes of computing the percentage of total Shares post-Placement (being a minimum of 15%) to be held in public hands in accordance with Rule 406(1) of the Catalist Rules.

SHAREHOLDERS

Saved as disclosed above and in the section entitled “Directors, Management and Staff” of this Offer Document, there are no other relationships between the Directors and Substantial Shareholders. Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Placement Shares which are the subject of the Placement. Our Directors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company.

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of a business trust which has occurred since the incorporation of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, there were no significant changes in the percentages of ownership of our Directors and Substantial Shareholders in our Company from the date of our incorporation until the Latest Practicable Date.

VENDOR

The name of the Vendor and the number of Vendor Shares which the Vendor will offer pursuant to the Placement are set out below:

Name	Shares held immediately before the Placement		Vendor Shares offered pursuant to the Placement			Shares held after the Placement	
	Number of Shares	% of pre-Placement share capital	Number of Shares	% of pre-Placement share capital	% of post-Placement share capital	Number of Shares	% of post-Placement share capital
ACIL	33,957,000	6.9%	5,682,000	1.2%	1.0%	28,275,000	5.0%

MORATORIUM

Under Rule 443 of the Catalist Rules (a) Controlling Shareholders; (b) their Associates; and (c) executive directors with an interest of five per cent (5%) or more of the issued share capital of our Company as at our Company’s date of admission to Catalist, will be deemed promoters of our Company.

As Mr Michael Teo and Mr Ang Kah Leong fall within Rule 443 of the Catalist Rules, they will be deemed promoters of the Company.

Michael Teo, Ang Kah Leong and Kit Ng

To demonstrate commitment to our Group, each of Mr Michael Teo, Mr Ang Kah Leong and Mr Kit Ng has undertaken to the Issue Manager and Sponsor not to, amongst others, directly or indirectly, sell, contract to sell, realise, transfer, assign, pledge, grant any option to purchase,

SHAREHOLDERS

grant any security over, encumber or otherwise dispose of, or other into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of his shareholding interests in our Company immediately after the Listing (“**Original Shareholding**”) for a period of six (6) months commencing from our Company’s date of admission to Catalist (the “**Initial Period**”) and to below 50.0% of his Original Shareholding (adjusted for any bonus issue or subdivision) in our Company for a period of six (6) months commencing from the expiry of the Initial Period.

ACIL

ACIL, the Vendor, who will hold 28,275,000 Shares representing 5.0% of the post-Placement share capital, has undertaken to the Issue Manager and Sponsor not to, amongst others, directly or indirectly, sell, contract to sell, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, or other into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of its shareholding interests in our Company for a period of 12 months commencing from our Company’s date of admission to Catalist.

In addition, Mr Lim Choon Hian, the sole shareholder of ACIL, has undertaken to the Issue Manager and Sponsor not to, amongst others, directly or indirectly, sell, contract to sell, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, or other into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of his shareholding interests in ACIL for a period of 12 months commencing from our Company’s date of admission to Catalist.

PPCF

Pursuant to the Management Agreement and as part of PPCF’s fees as the Issue Manager and Sponsor, our Company will issue and allot 1,591,000 PPCF Shares to PPCF representing 0.3% of the post-Placement share capital at the Placement Price for each Share.

PPCF has undertaken not to directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of, any part of its shareholding interests in our Company for a period of three (3) months commencing from our Company’s date of admission to Catalist. Upon completion of the aforesaid relevant moratorium period, PPCF will dispose of its relevant shareholding interests in our Company at its discretion.

DILUTION

Dilution is the amount by which the Placement Price to be paid by investors for the Placement Shares in the Placement (“**New Investors**”) exceeds the NAV per Share as at 31 March 2015 after adjusting for the effects of the Placement. Our NAV per Share as at 31 March 2015 before adjusting for the estimated net proceeds from the Placement and based on our Company’s pre-Placement share capital of 492,456,000 Shares, was 16.7 cents.

Pursuant to the Placement in respect of 76,459,000 Placement Shares and the issue of PPCF Shares and GFC Shares, our NAV per Share after adjusting for the estimated net proceeds from the Placement and based on our Company’s post-Placement share capital of 565,506,000 Shares, would be 16.9 cents.

This represents an immediate increase in NAV per Share of 0.2 cents to our existing Shareholders and an immediate dilution in NAV per Share of 5.1 cents to our New Investors.

The following table illustrates such dilution per Share as at 31 March 2015:

	Cents
Placement Price	22.0
NAV per Share as at 31 March 2015 based on the pre-Placement number of Shares of 492,456,000 Shares and before adjusting for the net proceeds from the issue of the New Shares	16.7
Increase in NAV per Share attributable to existing Shareholders based on our Company’s post-Placement number of Shares of 565,506,000 Shares and after adjusting for the net proceeds from the issue of New Shares	0.2
NAV per Share after the Placement ⁽¹⁾	16.9
Dilution in NAV per Share to New Investors post-Placement	5.1

Note:

- (1) The computed NAV per Share does not take into account our actual financial performance from 31 March 2015 up to the Latest Practicable Date. Depending on our actual financial results, our NAV per Share after the Placement may be higher or lower than the above computed NAV.

DILUTION

The following table summarises the total number of Shares that have been subscribed for and/or purchased by our existing Shareholders since the incorporation of our Company, the total consideration paid by them and the average effective cash cost per Share in respect of such Shares to our Shareholders, and the public Shareholders who subscribe for and/or purchase the Placement Shares at the Placement Price pursuant to the Placement:

	Number of Shares acquired	Total consideration (S\$)	Average effective cost per Share (cents)
Directors			
Michael Teo	184,050,867	14,402,039	7.8
Ang Kah Leong	169,577,465	12,516,192	7.4
Substantial Shareholders and their Associates			
Lee Sui Hee	59,861,168	4,997,998	8.3
Chew Tiam Poh	26,885,004	2,928,828	10.9
ACIL	33,957,000	1,250,040	3.7
Others			
Sim Choon Beng	21,428,504	2,437,579	11.4
Sim Choon Lam	21,245,129	9,074,993	42.7
Irene Ng	5,031,841	873,530	17.4
Koh Peng Heng	2,456,671	426,479	17.4
Julia Tan	1,919,351	333,200	17.4
Kit Ng	682,000	150,000	22.0
PPCF	1,591,000	350,000	22.0
New public Shareholders	76,459,000	16,820,980	22.0

Save as disclosed above and in the sections entitled “Restructuring Exercise”, “Share Capital” and “General and Statutory Information” of this Offer Document, none of our Directors or Substantial Shareholders of our Company or their respective Associates have acquired any Shares during the period of three (3) years prior to the date of lodgement of this Offer Document.

RESTRUCTURING EXERCISE

Our Group undertook the Restructuring Exercise to rationalise and streamline our Group's corporate structure, pursuant to which our Company became the holding company for our operations.

The details of the Restructuring Exercise are as follows:

(1) Incorporation of our Company

Our Company was incorporated on 22 June 2015 in Singapore in accordance with the Companies Act as a private company limited by shares with two (2) Shares, which were each held by Mr Michael Teo and Mr Ang Kah Leong.

(2) Acquisition of our subsidiary, Taka Singapore

Pursuant to a share swap agreement dated 17 August 2015 (“**Share Swap Agreement**”) entered into between our Company and Mr Michael Teo, Mr Ang Kah Leong, Mr Lee Sui Hee, Mr Chew Tiam Poh, Mr Sim Choon Beng, Mr Sim Choon Lam, Ms Irene Ng, Mr Koh Peng Heng and Ms Julia Tan (collectively, the “**Taka Singapore Shareholders**”), our Company acquired from Taka Singapore Shareholders the entire issued and paid-up share capital of Taka Singapore for an aggregate consideration of S\$82,075,999.67, based on a willing buyer willing seller basis.

The purchase consideration was based on the net asset value of Taka Singapore as recorded in its audited financial statements as at 31 March 2015 and was satisfied by the allotment and issue of an aggregate of 492,455,998 new fully paid-up Shares to the Taka Singapore Shareholders as follows:

Taka Singapore Shareholders	No. of Shares allotted	Consideration (S\$)
Michael Teo	184,050,866	30,675,144.34
Ang Kah Leong	169,577,464	28,262,910.67
Lee Sui Hee	59,861,168	9,976,861.33
Chew Tiam Poh	26,885,004	4,480,834.00
Sim Choon Beng	21,428,504	3,571,417.33
Sim Choon Lam	21,245,129	3,540,854.83
Irene Ng	5,031,841	838,640.17
Koh Peng Heng	2,456,671	409,445.17
Julia Tan	1,919,351	319,891.83
Total	492,455,998	82,075,999.67

RESTRUCTURING EXERCISE

Following the above transaction, the total issued and paid-up share capital of our Company increased from S\$0.33 to S\$82,076,000.00 comprising 492,456,000 Shares and the shareholdings of our Company were as follows:

Shareholders	No. of Shares	Shareholding percentage (%)
Michael Teo	184,050,867	37.37
Ang Kah Leong	169,577,465	34.44
Lee Sui Hee	59,861,168	12.16
Chew Tiam Poh	26,885,004	5.46
Sim Choon Beng	21,428,504	4.35
Sim Choon Lam	21,245,129	4.31
Irene Ng	5,031,841	1.02
Koh Peng Heng	2,456,671	0.50
Julia Tan	1,919,351	0.39
Total	492,456,000	100.00

Pursuant to our Company's acquisition of the entire issued and paid-up share capital of Taka Singapore, our Company became the holding company of Taka Singapore. For further details on our group structure after such acquisition, please refer to the section entitled "Group Structure" of this Offer Document.

(3) Transfers to ACIL

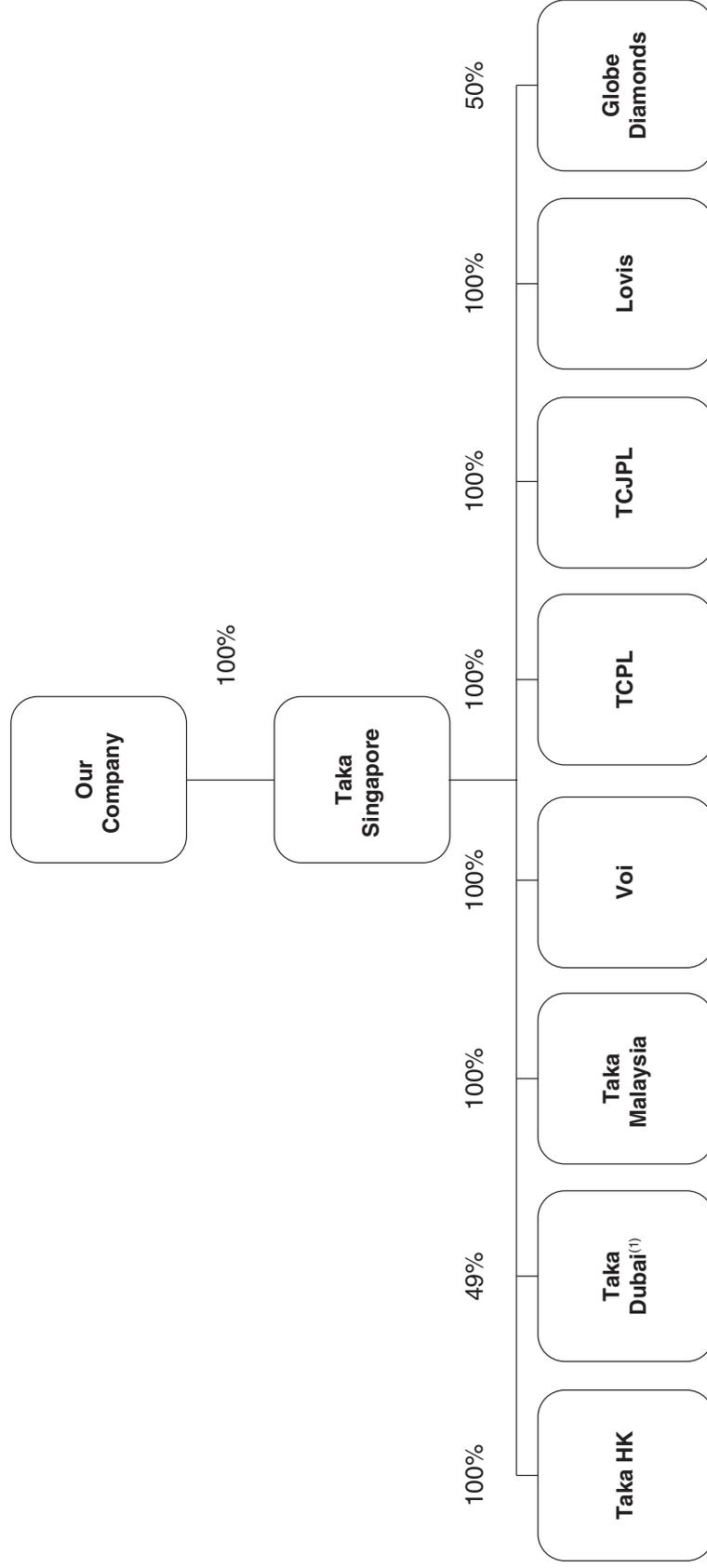
Pursuant to the Personal Consultancy Agreement, Mr Michael Teo and Mr Ang Kah Leong sold and procured the sale from the other Taka Singapore Shareholders of an aggregate of 33,957,000 Shares to ACIL for an aggregate consideration of S\$1,250,040.

Following the above share transfers, ACIL held 33,957,000 Shares amounting to 6.9% of the total issued and paid-up share capital of our Company then and the shareholdings of our Company were as follows:

Shareholders	No. of Shares	Shareholding percentage (%)
Michael Teo	171,359,753	34.80
Ang Kah Leong	157,884,355	32.06
Lee Sui Hee	55,733,478	11.32
Chew Tiam Poh	25,031,165	5.08
Sim Choon Beng	19,950,915	4.05
Sim Choon Lam	19,780,184	4.02
Irene Ng	4,684,874	0.95
Koh Peng Heng	2,287,273	0.46
Julia Tan	1,787,003	0.36
ACIL	33,957,000	6.90
Total	492,456,000	100.00

GROUP STRUCTURE

Our Group structure as at the date of this Offer Document is as follows:



Note:

(1) For the purposes of the preparation of the financial statements of our Group, as (a) Taka Singapore is entitled to all profits made by Taka Dubai and is liable to third parties and losses which may occur to the exclusion of Mr Mohammad Ali Ibrahim Abdulla Lootah ("Mr Lootah") and (b) Mr Lootah shall carry on the renewal of the trade licence and shall not be liable for any civil responsibilities or financial obligations related to the business activity of Taka Singapore inside and outside of Dubai, Taka Singapore has the right to the residual interest to Taka Dubai and is thus deemed to have 100% effective interest in Taka Dubai pursuant to the investment agreement entered into on 1 April 2014 ("Investment Agreement") with Mr Lootah, who holds the remaining 51% of the shares in Taka Dubai.

GROUP STRUCTURE

The details of each subsidiary and Associated Company of our Company as at the date of this Offer Document are as follows:

Subsidiary/ Associated Company	Date of incorporation	Principal place of business	Principal activities	Issued and paid-up share capital	Effective equity interest held by our Group
Taka Singapore	26 December 1997	Singapore	Wholesale and retail of jewellery	S\$17,574,357.20	100%
Voi	7 November 2007	Singapore	Wholesale of jewellery	S\$1,000,000.00	100%
Lovis	17 May 2012	Singapore	Retail of jewellery	S\$2.00	100%
TCPL	18 February 2013	Singapore	Pawnbroking	S\$3,000,000.00	100%
TCJPL	5 February 2004	Singapore	Retail of second- hand jewellery	S\$3.00	100%
Globe Diamonds	11 July 2012	Singapore	Wholesale of diamonds	S\$5,000,000.00	50% ⁽¹⁾
Taka HK	6 February 2004	Hong Kong	Wholesale of jewellery	HK\$3.00	100%
Taka Dubai	27 February 2011	United Arab Emirates	Wholesale of jewellery	AED300,000	49% ⁽²⁾
Taka Malaysia	28 April 2004	Malaysia	Dormant	RM3.00	100%

Notes:

- (1) The remaining 50% equity interest in Globe Diamonds is held by Mr Mehta Vimesh Piyush, a major shareholder of Dia-Globe (Singapore) Pte Ltd, which is one of our Group's major suppliers.
- (2) The remaining 51% equity interest in Taka Dubai is held by Mr Lootah, who shall pursuant to the Investment Agreement, *inter alia*, undertake to carry out the renewal of the trade licence of Taka Dubai. For the purposes of the preparation of the financial statements of our Group, Taka Singapore is deemed to have 100% effective interest in Taka Dubai pursuant to the Investment Agreement.

SUMMARY OF FINANCIAL INFORMATION

The following selected financial information should be read in conjunction with the full text of the Offer Document, including the section entitled “Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years ended 31 March 2013, 2014 and 2015” as set out in Appendix A of this Offer Document, as well as the section entitled “Management Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, and the related notes elsewhere in this Offer Document.

OUR COMBINED STATEMENT OF COMPREHENSIVE INCOME

(S\$'000)	FY2013	Audited FY2014	FY2015
Revenue	123,228	112,788	153,984
Cost of sales	(109,182)	(97,304)	(110,031)
Gross profit	14,046	15,484	43,953
Other operating income	348	53	322
Distribution costs	(2,546)	(2,176)	(23,980)
Administrative expenses	(2,103)	(2,739)	(5,802)
Other operating expenses	(3)	(550)	(2,552)
Share of profit of associated company	296	783	1,143
Finance costs	(488)	(404)	(405)
Profit before tax	9,550	10,451	12,679
Income tax expense	(1,552)	(1,972)	(2,016)
Net profit	7,998	8,479	10,663
Other comprehensive income			
Foreign currency translation	–	–	556
Total comprehensive income	7,998	8,479	11,219
Pre-Placement EPS (cents)⁽¹⁾	1.6	1.7	2.2
Post-Placement EPS (cents)⁽²⁾	1.4	1.5	1.9

Notes:

- (1) The pre-Placement EPS for the Period Under Review has been computed based on the net profit for the year and our pre-Placement share capital of 492,456,000 Shares.
- (2) The post-Placement EPS for the Period Under Review has been computed based on the net profit for the year and our post-Placement share capital of 565,506,000 Shares.

SUMMARY OF FINANCIAL INFORMATION

OUR COMBINED STATEMENTS OF FINANCIAL POSITION

(S\$'000)	As at 31 March 2013	Audited As at 31 March 2014	As at 31 March 2015
ASSETS			
Non-current assets			
Investment in associated company	346	1,129	5,193
Fixed assets	3,043	4,695	5,456
Trademarks	–	–	1,267
Non-current other receivables	–	–	1,131
	3,389	5,824	13,047
Current assets			
Inventories	86,122	105,042	99,848
Trade and other receivables	29,715	25,553	48,422
Prepayments	26	59	317
Cash and cash equivalents	1,420	3,427	8,135
	117,283	134,081	156,722
Total assets	120,672	139,905	169,769
LIABILITIES			
Current liabilities			
Bank borrowings	7,964	9,123	14,635
Trade and other payables	45,472	58,165	62,208
Dividends payable	–	–	5,004
Income tax payable	1,648	2,146	2,544
	55,084	69,434	84,391
Non-current liabilities			
Bank borrowings	4,060	3,073	2,802
Deferred tax liabilities	29	83	231
Provision	–	25	269
	4,089	3,181	3,302
Total liabilities	59,173	72,615	87,693
EQUITY			
Capital and reserves			
Share capital	9,003	9,003	17,574
Translation reserve	–	–	556
Retained earnings	52,496	58,287	63,946
Total equity	61,499	67,290	82,076
NET ASSETS	61,499	67,290	82,076
NAV per Share (cents)⁽¹⁾	12.5	13.7	16.7

Note:

(1) The NAV per Share has been computed based on our pre-Placement share capital of 492,456,000 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our business, financial condition and results of operations for our Group should be read in conjunction with the "Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years ended 31 March 2013, 2014 and 2015" as set out in Appendix A of this Offer Document and the related notes elsewhere in this Offer Document.

OVERVIEW

Our Group started in 1997 with the formation of Taka Singapore (formerly known as Metallic Refining Enterprise Pte Ltd) to engage in the business of wholesale of jewellery and manufacture of gold jewellery casings. Taka Singapore primarily sold jewellery on a wholesale basis to other retailers of jewellery, such as Taka Gold. Our Group has been the sole supplier of jewellery to Taka Gold since 2001. Taka Gold was a wholesaler and retailer of jewellery, and had a network of retail outlets selling jewellery under the brand name of "Taka Jewellery" mostly in heartland districts and suburban malls throughout Singapore. Taka Gold also sold jewellery on a wholesale basis in Exhibitions which it actively participated in.

In 2007, seeing a need to expand the business of our Group beyond Singapore and to move into the global market, our subsidiary, Voi was incorporated to engage in the marketing and sale of a contemporary line of jewellery under the brand name of "Voi" in Exhibitions.

In 2012, our Group incorporated our subsidiary, Lovis, to engage in the business of retail of jewellery under the brand name of "Lovis Diamonds", targeting consumers seeking customised diamonds and fine jewellery. In July 2012, together with our longstanding business partner, Mr Mehta Vimesh Piyush, our Group incorporated Globe Diamonds, our Associated Company, which is engaged in the wholesale of diamonds. Such upstream integration was a strategic move to strengthen the ability of our Group to secure diamond supplies.

In 2013, our Group ventured into the pawnbroking business and the trading and retail of secondhand jewellery and watches, which our Managing Director, Mr Michael Teo, and our Executive Director, Mr Ang Kah Leong identified potential in. Our subsidiaries, TCPL and TCJPL, were incorporated in 2013 to engage in such businesses and our pawnshops and retail outlets selling secondhand jewellery and watches in Yishun and Serangoon Road started operations in 2014.

In 2013, Lovis set up three (3) retail outlets at Mandarin Gallery, Bedok Mall and Westgate.

In line with our Group's on-going strategy to expand our business and identifying the potential in the retail and exhibition business of Taka Gold, our Group undertook the Business Acquisition, and acquired the business of Taka Gold with effect from 1 April 2014, in a strategic move towards downstream vertical integration. For further details on the Business Acquisition, please refer to the section entitled "General Information on our Group – Business Acquisition" of this Offer Document.

As at the Latest Practicable Date, our Group has a retail network consisting of 19 retail outlets under the "Taka Jewellery" and "Lovis Diamonds" brands located throughout Singapore and two (2) pawnshops in Yishun and Serangoon Road. In addition, our Group has also participated in more than 20 Exhibitions in FY2015 to sell jewellery on a wholesale basis, which generated revenue of S\$77.6 million, representing 50.4% of our total revenue in FY2015. For further details on our Group's business, please refer to the section entitled "General Information on our Group – Business Overview" of this Offer Document.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Revenue

Our revenue is mainly derived from the sale of our jewellery.

In FY2013 and FY2014, our revenue was primarily derived from the sale of jewellery to Taka Gold and to other wholesale customers at our HQ. Revenue from retail operations of Lovis started to make contributions in FY2013. From FY2014, we also started to derive a small portion of our revenue from our pawnbroking business. In FY2013 and FY2014, Voi derived revenue from its retail outlet at Marina Bay Sands (which was closed down in FY2014) as well as its direct participation in the Exhibitions.

Following the Business Acquisition in FY2015, we derived our revenue primarily from the sale of jewellery directly to end-customers at our retail outlets, promotional events, HQ and Exhibitions (including through Taka Dubai and Taka HK). Our revenue in FY2013, FY2014 and FY2015 was S\$123.2 million, S\$112.8 million and S\$154.0 million respectively.

Based on our Company's existing management reporting structure and nature of operations, our Group's business segments are as follows:

(a) Retail and Pawnbroking

As at Latest Practicable Date, our Group has 19 jewellery retail outlets in Singapore (16 under the brand name of "Taka Jewellery" and three (3) under the brand name of "Lovis Diamonds"). We also have two (2) pawnbroking outlets under the brand name of "Top Cash". Our Group also derives revenue from sales at our HQ.

(b) Wholesale and Exhibitions

In FY2013 and FY2014, we sold our jewellery to Taka Gold on a wholesale basis. In FY2015, following the Business Acquisition, we participated more actively in Exhibitions in the US, Europe, Middle East and East Asia.

Our revenue is mainly dependent on the following factors:

- (i) Consumer trends and preferences;
- (ii) Economic conditions in Singapore and globally;
- (iii) Prices of key raw materials like diamonds, gems and precious metals;
- (iv) Cost of manufacturing; and
- (v) Foreign currency fluctuation.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Cost of sales

Cost of sales comprise mainly manufacturing costs and raw material costs. Manufacturing costs refer to the cost incurred when we sub-contract the manufacturing process of our jewellery to our subcontractors. The raw material costs refer the cost of procuring diamonds, gems and precious metals used to manufacture our jewellery. The composition of the cost varies for each individual item depending on the number of diamonds/gems used, the usage of precious metals for each type and size of jewellery (bangles, ear-rings, pendants, bracelets, necklace, chain or rings) and the complexity in manufacturing the item. Our cost of sales amounted to approximately S\$109.2 million, S\$97.3 million and S\$110.0 million, accounting for 88.6%, 86.3% and 71.5% of our revenue in FY2013, FY2014 and FY2015 respectively.

Gross profit and GPM

Gross profit is determined after deducting cost of sales incurred from the procurement of raw materials and cost of manufacturing our jewellery. Our Group recorded gross profits of approximately S\$14.0 million, S\$15.5 million and S\$44.0 million, representing GPM of 11.4%, 13.7% and 28.5% in FY2013, FY2014 and FY2015 respectively.

Other operating income

Other operating income comprises mainly foreign currency exchange gain, government grants and gain on disposal of fixed assets. Other operating income amounted to approximately S\$0.3 million, S\$0.1 million and S\$0.3 million, accounting for approximately 0.3%, 0.1% and 0.2% of our revenue for FY2013, FY2014 and FY2015 respectively.

Distribution costs

Distribution costs comprise mainly rental, staff costs, advertising and promotion and exhibition expenses. Such costs increased significantly in FY2015 as our Group distributed our jewellery directly to end-customers following the Business Acquisition.

Currently, the major component of the distribution costs from our Retail and Pawnbroking segment is the rental cost for our retail outlets. Our Group typically enters into a two (2) to four (4) year leases with our landlords. The terms of the rental agreement vary among different outlets as a result of commercial negotiations. The rental cost at some of our retail outlets are fixed, while others are incremental over the contracted period as these contracts peg a portion of the rent to be paid as a percentage of the outlet turnover. Currently, the major components of our distribution costs from our Wholesale and Exhibition segment are exhibition and travel expenses.

Currently, the other major component of both our Retail and Pawnbroking and Wholesale and Exhibition segments is staff costs. These include salaries, commissions and employer CPF contribution of our sales staff. Distribution costs amounted to approximately S\$2.5 million, S\$2.2 million and S\$24.0 million, accounting for approximately 2.1%, 1.9% and 15.6% of our revenue in FY2013, FY2014 and FY2015 respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Administrative expenses

Administrative expenses comprise mainly administrative staff costs, depreciation expense and professional fees. Administrative expenses amounted to approximately S\$2.1 million, S\$2.7 million and S\$5.8 million, accounting for 1.7%, 2.4% and 3.8% of our revenue in FY2013, FY2014 and FY2015 respectively.

Other operating expenses

Other operating expenses comprise mainly foreign currency exchange loss, loss on disposal of fixed assets and amortisation of trademarks. Other operating expenses amounted to approximately S\$3,000, S\$0.6 million and S\$2.6 million, accounting for less than 0.1%, 0.5% and 1.7% of our revenue in FY2013, FY2014 and FY2015 respectively.

Share of profit of associated company

The share of profit of associated company relates to our 50% share of profit of Globe Diamonds, which is in the business of wholesale of diamonds. Share of profit of associated company amounted to approximately S\$0.3 million, S\$0.8 million and S\$1.1 million, accounting for 0.2%, 0.7% and 0.7% of our revenue in FY2013, FY2014 and FY2015 respectively.

Finance costs

Our finance costs comprise interest on bank overdraft, bills payable, revolving and term loans, as well as interest on amounts owing to our Directors. The amounts owing to our Directors were unsecured, bore an interest rate of 12.0% per annum and repayable on demand. The amounts owing to our Directors were fully repaid in FY2014. Finance costs amounted to approximately S\$0.5 million, S\$0.4 million and S\$0.4 million, accounting for 0.4%, 0.4% and 0.3% of our revenue in FY2013, FY2014 and FY2015 respectively.

Income tax expense

We are subject to applicable income tax in Singapore and Hong Kong. For the Period Under Review, the corporate tax rate for Singapore and Hong Kong was 17.0% and 16.5% respectively. Taka Dubai is not subject to income tax and our Malaysian subsidiary is dormant. Income tax expense comprises current year income tax, deferred income tax and over/(under) provision in prior years. Our overall effective tax rate was approximately 16.3%, 18.9% and 15.9% in FY2013, FY2014 and FY2015 respectively.

RESULTS OF OPERATIONS

Breakdown of our past performance by business segments

This analysis should be read in conjunction with the “*Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years ended 31 March 2013, 2014 and 2015*” as set out in Appendix A of this Offer Document and the related notes elsewhere in this Offer Document.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

A breakdown of our revenue, gross profit and profit before income tax by business segments for FY2013, FY2014 and FY2015 are set out below.

Revenue

Segment	FY2013 (S\$'000)	%	FY2014 (S\$'000)	%	FY2015 (S\$'000)	%
Retail and Pawnbroking ⁽¹⁾	5,309	4.3	5,343	4.7	76,411	49.6
Wholesale and Exhibition ⁽²⁾	117,919	95.7	107,445	95.3	77,573	50.4
Total	123,228	100.0	112,788	100.0	153,984	100.0

Gross profit

Segment	FY2013 (S\$'000)	%	FY2014 (S\$'000)	%	FY2015 (S\$'000)	%
Retail and Pawnbroking	1,785	12.7	1,816	11.7	22,285	50.7
Wholesale and Exhibition	12,261	87.3	13,668	88.3	21,668	49.3
Total	14,046	100.0	15,484	100.0	43,953	100.0

PBT

Segment	FY2013 (S\$'000)	%	FY2014 (S\$'000)	%	FY2015 (S\$'000)	%
Retail and Pawnbroking	114	1.2	830	7.9	3,711	29.3
Wholesale and Exhibition	9,436	98.8	9,621	92.1	8,968	70.7
Total	9,550	100.0	10,451	100.0	12,679	100.0

Notes:

- (1) Revenue that was derived directly from the end customers of the retail outlets under Taka Gold is only included after the Business Acquisition in FY2015.
- (2) Revenue that was derived directly from the end wholesale customers at Exhibitions that Taka Gold participates in is only included after the Business Acquisition in FY2015.

For illustration of the track record of Taka Gold prior to the Business Acquisition, a breakdown of their revenue and gross profit by business segments in FY2013 and FY2014 are set out below:

Taka Gold's revenue⁽¹⁾

Segment	FY2013 (S\$'000)	%	FY2014 (S\$'000)	%
Retail ⁽²⁾	71,549	50.1	62,601	47.7
Exhibition ⁽³⁾	71,227	49.9	68,533	52.3
Total	142,776	100.0	131,134	100.0

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Taka Gold's gross profit⁽¹⁾

Segment	FY2013 (S\$'000)	%	FY2014 (S\$'000)	%
Retail	13,098	50.6	12,122	49.7
Exhibition	12,798	49.4	12,255	50.3
Total	25,896	100.0	24,377	100.0

Notes:

- (1) The segmental information of Taka Gold has been provided by our Group and does not corroborate with the "Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years ended 31 March 2013, 2014 and 2015" as set out in Appendix A of this Offer Document. Our Auditors and Reporting Accountants, Ernst & Young LLP, has not independently verified the segmental information of Taka Gold and it is based solely on the information provided by our management.
- (2) Revenue derived from retail outlets under the brand name of "Taka Jewellery".
- (3) Revenue derived from Taka Gold's involvement in the Exhibitions.

REVIEW OF PAST PERFORMANCE

FY2013 vs FY2014

Revenue

Revenue decreased by approximately S\$10.4 million or 8.4% from S\$123.2 million to S\$112.8 million in FY2014, due to lower revenue contribution from our Wholesale and Exhibition segment.

Revenue from our Retail and Pawnbroking segment was approximately S\$5.3 million in both FY2013 and FY2014.

Revenue from our Wholesale and Exhibition segment decreased approximately by S\$10.5 million or 8.9% from S\$117.9 million in FY2013 to S\$107.4 million in FY2014 mainly due to lower sales to Taka Gold as seven (7) of Taka Gold's under-performing retail outlets were closed down in FY2014. The lower sales to Taka Gold in FY2014 was also due to one of Taka Gold's key customers making an extraordinary purchase to stock up the inventory of their newly opened shops in FY2013, which did not recur in FY2014.

Cost of sales

Cost of sales decreased by approximately S\$11.9 million or 10.9% from S\$109.2 million in FY2013 to S\$97.3 million in FY2014. This is in line with the lower sales to Taka Gold as explained above.

Gross profit and GPM

Gross profit increased by approximately S\$1.5 million or 10.7% from S\$14.0 million in FY2013 to S\$15.5 million in FY2014. The increase in gross profit was mainly due to the sale of higher margin jewellery such as jewellery with more complex or intricate designs and/or with larger/more diamonds and gems. This resulted in an increase of our GPM from approximately 11.4% in FY2013 to 13.7% in FY2014. On a segmental basis, the GPM of our Retail and Pawnbroking

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

segment was relatively stable at 33.6% and 34.0% respectively in FY2013 and FY2014 respectively, while the GPM of our Wholesale and Exhibition segment increased slightly from 10.4% in FY2013 to 12.7% in FY2014.

Other operating income

Other operating income decreased by approximately S\$0.2 million, or 66.7% from S\$0.3 million in FY2013 to S\$0.1 million in FY2014. This was mainly due to absence of foreign currency exchange gain in FY2014, arising from the strengthening of the US dollar against Singapore dollar. Other operating income was approximately 0.3% and approximately 0.1% of our total revenue in FY2013 and FY2014 respectively.

Distribution costs

Distribution costs decreased by approximately S\$0.3 million, or 12.0% from S\$2.5 million in FY2013 to S\$2.2 million in FY2014. This was mainly due to savings of approximately S\$0.6 million from lower rental expenses arising from the closure of Voi's outlet at Marina Bay Sands. The rental cost savings was partially offset by higher advertising and promotion expenses incurred with the setting up of Lovis' outlets. Distribution costs were approximately 2.1% and 1.9% of our total revenue in FY2013 and FY2014 respectively.

Administrative expenses

Administrative expenses increased by approximately S\$0.6 million or 28.6% from S\$2.1 million in FY2013 to S\$2.7 million in FY2014. This was mainly due to higher staff costs and professional fees. Administrative expenses were approximately 1.7% and 2.4% of our total revenue for FY2013 and FY2014 respectively.

Other operating expenses

Other operating expenses increased by approximately S\$0.6 million in FY2014. This was mainly due to foreign currency exchange loss incurred in FY2014, arising from the strengthening of the US\$ against S\$. Other operating expenses were less than 0.1% and 0.5% of our total revenue in FY2013 and FY2014 respectively.

Share of profit of associated company

Share of profit of associated company increased by approximately S\$0.5 million or 166.7% from S\$0.3 million in FY2013 to S\$0.8 million in FY2014. This was mainly due to the full year of operations of our Associated Company, Globe Diamonds, which was incorporated in July 2012.

Finance costs

Finance costs decreased by approximately S\$0.1 million or 20.0% from S\$0.5 million in FY2013 to S\$0.4 million in FY2014. This was mainly due to lower interest expense on bank loans, as a result of the drop in interest rate in FY2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

PBT

As a result of the foregoing, our PBT increased by approximately S\$0.9 million or 9.4% from S\$9.6 million in FY2013 to S\$10.5 million in FY2014.

PBT contribution from our Retail and Pawnbroking segment increased by approximately S\$0.7 million or 7 times from S\$0.1 million in FY2013 to S\$0.8 million in FY2014, while PBT contribution from the Wholesale and Exhibition segment increased by S\$0.2 million or 2.1% from S\$9.4 million in FY2013 to S\$9.6 million in FY2014.

Income tax expense

The effective tax rates were 16.3% and 18.9% for FY2013 and FY2014 respectively. The effective tax rate for FY2013 was lower than the Singapore statutory corporate tax rate of 17%, mainly due to tax effect on partial exemption and enhanced allowance. The effective tax rate for FY2014 was higher mainly due to expenses not deductible for tax purposes.

FY2014 vs FY2015

Revenue

Revenue increased by approximately S\$41.2 million or 36.5% from S\$112.8 million in FY2014 to S\$154.0 million in FY2015 mainly due to the Business Acquisition, wherein the retail and exhibition business of Taka Gold was acquired by Taka Singapore. As such, the revenue increased due to the additional revenue streams from the Business Acquisition.

Revenue from our Retail and Pawnbroking segment increased by approximately S\$71.1 million or 13 times from S\$5.3 million in FY2014, to S\$76.4 million in FY2015. The increase was mainly due to the effects of the Business Acquisition and higher HQ sales. Following the Business Acquisition in FY2015, Taka Gold ceased to be a major customer of our Group as the jewellery from our Group is directly marketed and sold to customers of Taka Gold. As a result, the revenue derived from our Group's retail outlets from Taka Gold's retail outlets has been included under our Retail and Pawnbroking segment. This accounted for a large portion of the increase in revenue from our Retail and Pawnbroking segment in FY2014 to FY2015.

Following the Business Acquisition, our Retail and Pawnbroking segment includes the revenue derived from the sale of our jewellery at our 19 retail outlets under the brand name of "Taka Jewellery" and "Lovis Diamonds", promotional events and at our HQ, as well as revenue from our two (2) pawnbroking outlets under the brand name "Top Cash".

Revenue from our Wholesale and Exhibition segment decreased by approximately S\$29.8 million or 27.7%, from S\$107.4 million in FY2014, to S\$77.6 million in FY2015. The decrease was mainly due to the reclassification of revenue derived from Taka Gold's retail outlets to the Retail and Pawnbroking segment. Prior to the Business Acquisition, we sold jewellery on a wholesale level to Taka Gold for sale to its end customers at the retail outlets under the brand name of "Taka Jewellery". The revenue from the sale of jewellery to Taka Gold were classified under our Wholesale and Exhibition segment for FY2013 and FY2014. The decrease in the revenue from our Wholesale and Exhibition segment was however, offset by the inclusion of the revenue derived from Taka Gold's participation at the Exhibitions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Following the Business Acquisition, the revenue derived from our Wholesale and Exhibition segment in FY2015 includes only sale of our jewellery at Exhibitions.

Cost of sales

Cost of sales increased by approximately S\$12.7 million or 13.1%, from S\$97.3 million in FY2014, to S\$110.0 million in FY2015. The Business Acquisition had no significant impact on the cost of sales as procurement of the raw materials and sub-contracting of the manufacturing of our jewellery was still undertaken by Taka Singapore.

Gross profit and GPM

Gross profit increased by approximately S\$28.5 million or 183.9%, from S\$15.5 million in FY2014, to S\$44.0 million in FY2015. This was mainly due to the Business Acquisition as gross profit in FY2015 included the mark-up previously charged by Taka Gold to its end customers.

The gross profit of our Retail and Pawnbroking segment increased but the GPM declined from 33.9% in FY2014 to 29.2% in FY2015 due to the change in sales mix from the addition of the retail outlets under the "Taka Jewellery" brand name. The retail outlets under the brand name "Taka Jewellery" has a lower GPM as compared to retail outlets under the brand names "Lovis Diamonds" and "Voi" as the different brands target different market segments.

The gross profit of our Wholesale and Exhibition segment has declined in FY2015, as compared to FY2014 due to the reclassification of revenue derived from the retail outlets under the "Taka Jewellery" brand name. The GPM increased from 12.7% in FY2014 to 27.9% in FY2015 as it included the margins previously charged by Taka Gold to its end customers for its international jewellery exhibition and tradeshow business.

Other operating income

Other operating income increased by approximately S\$0.2 million or 200.0%, from S\$0.1 million in FY2014, to S\$0.3 million in FY2015. This is mainly due to higher government grants received and sundry income. Other operating income was less than 0.1% and approximately 0.2% of our total revenue in FY2014 and FY2015 respectively.

Distribution costs

Distribution costs increased by approximately S\$21.8 million or 10 times, from S\$2.2 million in FY2014, to S\$24.0 million in FY2015. This was mainly due to the effects of the Business Acquisition, where our Group took on additional distribution costs, such as rental, retail staff costs, advertising and promotion and exhibition expenses, which were previously accounted for by Taka Gold as part of its distribution costs to its end customers. Distribution costs were approximately 1.9% and 15.6% of our total revenue in FY2014 and FY2015 respectively.

Administrative expenses

Administrative expenses increased by approximately S\$3.1 million or 114.8%, from S\$2.7 million in FY2014, to S\$5.8 million in FY2015. This was mainly due to the effects of the Business Acquisition, in which our Group incurred higher administrative staff costs after taking in the

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

management and sales team of Taka Gold, as well as higher professional fees and bank charges in FY2015. Administrative expenses were approximately 2.4% and 3.8% of our total revenue in FY2014 and FY2015 respectively.

Other operating expenses

Other operating expenses increased by S\$2.0 million or 333.3%, from S\$0.6 million in FY2014 to S\$2.6 million in FY2015. This was mainly due to foreign currency exchange loss arising from the strengthening of the US\$ against S\$, amortisation of trademarks and allowance for impairment of trade receivables recognised in FY2015. Other operating expenses were approximately 0.5% and 1.7% of our total revenue for FY2014 and FY2015 respectively.

Share of profit of associated company

Share of profit of associated company increased by S\$0.3 million or 37.5%, from S\$0.8 million in FY2014, to S\$1.1 million in FY2015. This was mainly due to better results of our Associated Company, Globe Diamonds.

Finance costs

Finance costs for FY2015 remained comparable to FY2014 at S\$0.4 million.

PBT

PBT contribution of our Retail and Pawnbroking segment increased by approximately S\$2.9 million or 3.6 times, from S\$0.8 million in FY2014, to S\$3.7 million in FY2015. The higher PBT contribution from our Retail and Pawnbroking segment was mainly due the Business Acquisition where the increased sales and gross profit offset higher distribution costs and start-up costs for the pawnbroking business.

On the other hand, PBT contribution of our Wholesale and Exhibition segment decreased slightly by S\$0.6 million or 6.3% from S\$9.6 million to S\$9.0 million in FY2015 mainly due to the corresponding shift in retail and HQ sales related PBT to the Retail and Pawnbroking segment.

As a result of the foregoing, our PBT increased by approximately S\$2.2 million or 21.0%, from S\$10.5 million in FY2014 to S\$12.7 million in FY2015.

Income tax expense

The effective tax rates were 18.9% and 15.9% for FY2014 and FY2015 respectively. The effective tax rate for FY2014 was higher than the Singapore statutory corporate tax rate of 17%, mainly due to expenses not deductible for tax purposes. The lower effective tax rate for FY2015 was mainly due to higher tax relief and enhanced allowance and over provision in prior years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

REVIEW OF FINANCIAL POSITION

As at 31 March 2015

Non-current assets

As at 31 March 2015, our non-current assets of approximately S\$13 million accounted for approximately 7.7% of our total assets. Our non-current assets comprise investment in associated company, fixed assets, trademarks and non-current other receivables.

Investment in associated company relates to our 50% equity interest in Globe Diamonds, which as at 31 March 2015, amounted to S\$5.2 million and constituted 39.8% of our total non-current assets. The significant increase from S\$1.1 million in FY2014 to S\$5.2 million in FY2015 was mainly due to our share of profit of S\$1.1 million in FY2015 as well as the capital injection of approximately S\$2.5 million in Globe Diamonds, which was converted to share capital, as additional investment.

Fixed assets as at 31 March 2015 amounted to approximately S\$5.5 million or 41.8% of our total non-current assets. These include leasehold properties carried at cost less accumulated depreciation (carrying value) of S\$3.3 million.

Trademarks relating to the use of the brand name of "Taka Jewellery" acquired in the beginning of FY2015 for our Group's jewellery business, and as at 31 March 2015 amounted to approximately S\$1.3 million or 9.7% of our total non-current assets. The trademarks are amortised over the estimated useful life of 10 years.

Non-current other receivables which relate to rental deposit amounted to S\$1.1 million, constituted 8.7% of our total non-current assets.

Current assets

As at 31 March 2015, our current assets of S\$156.7 million accounted for approximately 92.3% of our total assets. Our current assets consist of inventories, trade and other receivables, prepayments and cash and cash equivalents.

Inventories as at 31 March 2015 amounted to S\$99.8 million, which accounted for approximately 63.7% of our total current assets. Inventories consisted of S\$58.4 million of finished goods and goods for resale and S\$41.4 million of raw materials.

Trade and other receivables as at 31 March 2015 amounted to S\$48.4 million, which accounted for approximately 30.9% of total current assets. Trade receivables from customers amounted to S\$45.3 million and other receivables amounted to S\$3.1 million. The significant increase from S\$25.6 million in FY2014 was mainly attributable to the Business Acquisition as well as growth in sales volume in FY2015 and higher prices of goods sold by Taka Singapore in FY2015 as Taka Singapore sells directly to end customers.

Other receivables included S\$1.1 million non-trade receivables from our Associated Company, Globe Diamonds, S\$0.4 million non-trade receivables from third parties and S\$1.6 million of deposits placed mainly for rental and Exhibitions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Prepayments as at 31 March 2015 amounted to S\$0.3 million or 0.2% of total current assets. Prepayments consist of pre-paid promotional and administrative expenses of our Group.

Cash and cash equivalents as at 31 March 2015 amounted to S\$8.1 million or 5.2% of total current assets.

Current liabilities

As at 31 March 2015, our current liabilities of S\$84.4 million accounted for 96.2% of our total liabilities. Our current liabilities consist of bank borrowings, trade and other payables, dividends payable and income tax payable.

Bank borrowings consist of bank overdraft, bills payable, revolving and term loans, and totalled S\$14.6 million, or 17.3% of our total current liabilities.

Trade and other payables amounted to S\$62.2 million, or 73.7% of our total current liabilities. Trade payable amounted to S\$59.0 million. Accruals and other payables, which comprise mainly accrued operating and staff related expenses amounted to S\$3.2 million.

Dividends payable amounted to S\$5.0 million or 5.9% of our total current liabilities. This relate to dividend declared but not paid in FY2015.

Income tax payable amounted to S\$2.5 million, or 3.0% of our total current liabilities.

Non-current liabilities

As at 31 March 2015, our non-current liabilities of S\$3.3 million accounted for approximately 3.8% of our total liabilities. Our non-current liabilities consist of bank borrowings, deferred tax and provision for reinstatement cost.

Non-current bank borrowings as at 31 March 2015 refer to term loans due after the next 12 months, and amounted to S\$2.8 million or 84.8% of our total non-current liabilities.

Deferred tax which relates mainly to the trademarks acquired amounted to S\$0.2 million or 7.0% of our total non-current liabilities as at 31 March 2015.

Provision for reinstatement cost relates mainly to provision made for our liability to reinstate our retail outlets at the end of the lease term. Provision for reinstatement cost amounted to S\$0.3 million or 8.1% of our total non-current liabilities as at 31 March 2015. The increase of approximately S\$0.3 million from FY2014 was mainly due to the Business Acquisition where Taka Singapore now undertakes the responsibility to reinstate our retail outlets.

Shareholders' equity

As at 31 March 2015, our shareholders' equity amounted to S\$82.1 million comprising S\$17.6 million of issued share capital, S\$0.6 million of translation reserves and S\$63.9 million of retained earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

LIQUIDITY AND CAPITAL RESOURCES

As at the Latest Practicable Date, our Group has two (2) sources of cash, which is categorised as internal and external sources. Internal sources refer to cash generated from the Company's operating activities. External sources of funds comprise mainly borrowings from financial institutions, credit granted by suppliers and capital investment from shareholders. The principal uses of these cash sources are to finance purchases, capital expenditure and operating expenses such as rental, payroll and administrative expenses.

As at the Latest Practicable Date, our Group has total banking facilities of S\$33.4 million, of which S\$25.9 million was utilised. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

As at the Latest Practicable Date, our Group has cash and cash equivalents of S\$4.2 million.

Our Directors are of the reasonable opinion that, after taking into consideration the above and having made due and careful enquiry and after taking into account the expected cash flows generated from our Group's operations, our Group's banking facilities and our Group's existing cash in banks and on hand, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the Listing of our Group on Catalist.

The Sponsor is of the reasonable opinion that, after taking into consideration the above and having made due and careful enquiry and after taking into account the expected cash flows generated from our Group's operations, our Group's banking facilities and our Group's existing cash in banks and on hand, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Group on the Catalist.

The following table sets out a summary of our Company's cash flow for FY2013, FY2014 and FY2015.

(S\$'000)	FY2013	FY2014	FY2015
Net cash provided by/(used in) operating activities	(392)	6,427	1,724
Net cash provided by/(used in) investing activities	(1,003)	(2,040)	(1,014)
Net cash provided by/(used in) financing activities	865	(2,211)	1,991
Net increase/(decrease) in cash and cash equivalents	(530)	2,176	2,701
Effect of exchange rates changes on balance cash held in foreign currency	136	8	157
Cash and cash equivalents at the beginning of the period	1,578	1,184	3,368
Cash and cash equivalents at the end of the period	1,184	3,368	6,226

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2013

Net cash from operating activities

In FY2013, we recorded a net cash outflow from operating activities of S\$0.4 million, which was a net result of operating profit before working capital changes of S\$9.6 million, adjusted for working capital outflows of S\$7.5 million, interest paid of S\$0.5 million and income tax paid of S\$2.0 million. The net working capital increases was due to the following:

- (a) decrease in trade and other payables of S\$8.2 million; and
- (b) decrease in bills payable of S\$0.9 million.

The above working capital increases were partially offset by:

- (a) decrease in trade and other receivables and prepayments of S\$1.0 million; and
- (b) decrease in inventories of \$0.6 million.

Net cash from investing activities

Net cash outflow from investing activities amounted to S\$1.0 million, which was attributable to payment for purchase of fixed assets mainly relating to the leasehold property at 30 Kaki Bukit Road 3, #01-01 Empire Technocentre, Singapore 417819.

Net cash from financing activities

Net cash flow provided by financing activities amounted to S\$0.9 million, which arose from the net receipt from bank borrowings of S\$3.6 million offset by dividends paid of S\$2.7 million.

As at 31 March 2013, our cash and cash equivalents were S\$1.2 million.

FY2014

Net cash from operating activities

In FY2014, we recorded a net cash inflow from operating activities of S\$6.4 million, which was a result of operating profit before reinvestment in working capital of S\$10.4 million, adjusted for working capital outflows of S\$2.2 million, interest paid of S\$0.4 million and income tax paid of S\$1.4 million. The net working capital increases was due to the following:

- (a) increase in inventories of S\$18.9 million; and
- (b) decrease in bills payable of S\$0.1 million.

The above working capital increases were partially offset by:

- (a) decrease in trade and other receivables and prepayments of S\$4.1 million; and
- (b) increase in trade and other payables of S\$12.7 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash from investing activities

Net cash outflow from investing activities amounted to S\$2.0 million, which was mainly attributable to purchase of fixed assets relating mainly relating to the leasehold at the Yishun Shop Lot.

Net cash from financing activities

Net cash flow used in financing activities amounted to S\$2.2 million, which arose from dividends paid of S\$2.7 million offset by net proceeds from bank borrowings of S\$0.5 million.

As at 31 March 2014, our cash and cash equivalents were S\$3.4 million.

FY2015

Net cash from operating activities

In FY2015, we recorded a net cash inflow from operating activities of S\$1.7 million, which was a result of operating profit before reinvestment in working capital of S\$14.3 million, adjusted for working capital outflows of S\$10.4 million, interest paid of S\$0.4 million and income tax paid of S\$1.8 million. The net working capital increases was due to the following:

- (a) increase in trade and other receivables and prepayments of S\$15.7 million;
- (b) decrease in trade and other payables of S\$1.3 million; and

The above working capital increases were partially offset by:

- (a) decrease in inventories of S\$5.2 million; and
- (b) increase in bills payable of S\$1.4 million.

Net cash from investing activities

Net cash outflow from investing activities amounted to S\$1.0 million, which was mainly attributable to cash inflow from the Business Acquisition of S\$1.9 million, offset by purchase of fixed assets of S\$0.4 million and investment in associated company of \$2.5 million.

Net cash from financing activities

Net cash flow from financing activities amounted to S\$2.0 million, which arose from net receipt from bank borrowings.

As at 31 March 2015, our cash and cash equivalents were S\$6.2 million.

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

SEASONALITY

Our Group generally experiences higher sales revenue from our Retail and Pawnbroking segment during certain occasions, for example, Valentine's Day (February), Mothers' Day (May), Great Singapore Sale (July) and Christmas (December). Sales from our Retail and Pawnbroking segment is also higher when we conduct our major events, such as warehouse sales (April), solitaire sales (July and August) and the International Jewellery Preview (October).

Revenue generated by our Wholesale and Exhibition segment is subject to the scheduled timing of the organisers of the various Exhibitions, where the schedule of the Exhibitions may differ from year to year.

As our Retail and Pawnbroking segment and our Wholesale and Exhibition segment experience higher sales revenue at different parts of the year, we generally do not experience any seasonality as a Group as the differing timing of such higher sales revenue periods from the different segments tend to offset each other. However, it is possible that due to confluence or divergence of the above factors, we may appear to experience higher (or lower) revenue and profits in particular quarters. Hence, caution should be exercised when comparing our revenue and results of operations between different periods within a single reporting year as it may not be meaningful and should not be relied upon as indicators of our performance.

CAPITAL EXPENDITURE AND DIVESTMENTS AND COMMITMENTS

Capital Expenditure

The capital expenditures made by our Group during the Period under Review were as follows:

(\$'000)	FY2013	FY2014	FY2015	1 April 2015 to Latest Practicable Date
Purchase of fixed assets	955 ⁽¹⁾	2,040 ⁽²⁾	484	54

The above capital expenditures were primarily financed by internally generated resources, except for the following:

- (1) Relates mainly to the acquisition of leasehold property at 30 Kaki Bukit Road 3, #01-01 Empire Technocentre, Singapore 417819, which was partially financed by bank borrowings; and
- (2) Relates mainly to the acquisition of leasehold at the Yishun Shop Lot, which was partially financed by bank borrowings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Divestments

The divestments made by our Group during the Period under Review were as follows:

(S\$'000)	FY2013	FY2014	FY2015	1 April 2015 to Latest Practicable Date
Net book value of fixed assets disposed	–	23	54	2

Capital Commitments

As at 31 March 2015 and the Latest Practicable Date, our Group does not have capital commitments.

Operating Lease Commitments

As at 31 March 2015 and the Latest Practicable Date, the operating lease commitments for our retail outlets and offices were as follows:

(S\$'000)	As at 31 March 2015	As at the Latest Practicable Date
Not later than 1 year	4,502	5,799
Later than 1 year but not later than 5 years	3,279	6,802
More than five years	–	–
	7,781	12,601

The above operating lease commitments were primarily financed by internally generated resources.

Finance Lease Commitments

As at 31 March 2015 and the Latest Practicable Date, our Group does not have any finance lease commitments.

Contingent Liabilities

As at 31 March 2015 and the Latest Practicable Date, our Group has provided the following guarantees to a bank for banking facilities granted to our Associated Company – Globe Diamonds:

(S\$'000)	As at 31 March 2015	As at the Latest Practicable Date
Secured bank loan and credit facilities to our Associated Company	2,050	1,478

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

Foreign currency transactions are translated into S\$/US\$ at rates of exchange approximating those prevailing at transaction dates. Foreign currency monetary assets and liabilities are translated at rates as at the balance sheet date. All profits and losses on exchange are dealt with through the income statement.

Foreign Exchange Exposure

The proportions of our revenue and purchases denominated in US\$ and foreign currencies are as follows:

Percentage of revenue denominated in	FY2013 (%)	FY2014 (%)	FY2015 (%)
US\$	0.8	0.8	58.7
HK\$	–	0.1	0.2
S\$	99.2	99.1	41.1
	100.0	100.0	100.0

Percentage of purchases denominated in	FY2013 (%)	FY2014 (%)	FY2015 (%)
US\$	49.0	60.1	48.4
HK\$	29.2	28.1	32.3
S\$	20.6	10.8	17.6
Others	1.2	1.0	1.7
	100.0	100.0	100.0

In FY2015, our Group derived about 58.7% of its revenue in US\$ due to our involvement in the Sales at our HQ and Exhibitions. Our Group derived about 41.1% of its revenue in S\$ due to our operations in the local retail stores. The constitution of our Group's revenue in FY2015, after the Business Acquisition, was significantly different from that of our purchases as about 80% of our purchases were made in US\$ and HK\$. Our Group also experiences timing differences between invoicing and collection of payment from our customers.

As a result of the mismatch in the amount of revenue received and purchases made in the same currency and timing differences between invoicing and collection of payment, the net foreign exchange exposure of our Group for the Period Under Review is as follows:

(S\$'000)	FY2013	FY2014	FY2015
Net foreign exchange gain/(loss)	326	(512)	(1,948)
As a percentage of revenue (%)	0.3	(0.5)	(1.3)
As a percentage of profit before tax (%)	3.4	(4.9)	(15.4)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

We do not currently have a formal hedging policy although we may, subject to the approval of our Audit Committee and our Board, enter into relevant transactions where necessary, to hedge our exposure to foreign currency fluctuations. We will also put in place, where necessary, procedures to hedge our exposure to foreign currency fluctuations. Such procedures will be reviewed and approved by our Audit Committee and our Board.

SIGNIFICANT ACCOUNTING POLICY CHANGES

There has been no significant change in the accounting policies for our Group during the Period Under Review. Please refer to the "*Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years ended 31 March 2013, 2014 and 2015*" as set out in Appendix A of this Offer Document for more details on our accounting policies.

CAPITALISATION AND INDEBTEDNESS

The following table shows the cash and cash equivalents as well as capitalisation of our Group

- (a) on an actual basis as at 31 March 2015 based on our Audited Financial Statements for the Financial Year ended 31 March 2015;
- (b) on an actual basis based on our management accounts as at 30 June 2015; and
- (c) as adjusted for the net proceeds⁽¹⁾ from the Placement.

(\$'000)	As at 31 March 2015	As at 30 June 2015	As adjusted for the net proceeds from the Placement
Cash and cash equivalents	8,135	6,309	18,672 ⁽¹⁾⁽²⁾
Indebtedness			
Current			
– secured and guaranteed	4,897	5,836	5,836
– secured and non-guaranteed	–	–	–
– unsecured and guaranteed	9,738	10,078	10,078
– unsecured and non-guaranteed	–	–	–
Non-current			
– secured and guaranteed	1,622	1,562	1,562
– secured and non-guaranteed	–	–	–
– unsecured and guaranteed	1,180	2,864	2,864
– unsecured and non-guaranteed	–	–	–
Total indebtedness	17,437	20,340	20,340
Total shareholders' equity	82,076	83,998	97,211⁽¹⁾
Total capitalisation and indebtedness	99,513	104,338	117,551

Notes:

- (1) Adjusted to include the net proceeds from the placement of approximately S\$13.2 million.
- (2) Adjusted to include the payment of the remaining dividend of S\$2.0 million which was paid out on 12 August 2015 and the repayment of approximately S\$1.1 million being the amount receivable from Globe Diamonds on 3 July 2015.

As at the Latest Practicable Date, there were no material changes to our capitalisation as disclosed above, save for changes in our reserves arising from the day-to-day operations in the ordinary course of our business.

CAPITALISATION AND INDEBTEDNESS

Banking and credit facilities

As at the Latest Practicable Date, our Group had credit facilities amounting to S\$33.4 million granted by various financial institutions of which S\$25.9 million was utilised. Our indebtedness bears interests at fixed and floating rates. The effective interest rates per annum for our borrowings as at the Latest Practicable Date were a range of between 1.15% and 6%.

As at the Latest Practicable Date, our Group's banking and credit facilities from various banks and financial institutions were as follows:

Name of bank/ (Types of facilities)	Facilities granted (S\$'000)	Utilised (S\$'000)	Unutilised (S\$'000)	Interest rate (per annum)	Maturity profile
DBS (Bank overdraft)	2,000	1,920	80	1.5% above the prime rate	Revolving
SCB (Bank overdraft)	400	327	73	0.5% above the prime rate	Revolving
HSBC (Trade facility)	1,500	1,162	338	1.5% over cost of funds ("COF")	90 days
DBS (Trade facility)	1,500	1,239	261	1.75% over COF	210 days
ANZ (Credit facility)	3,500	1,360	2,140	Negotiable	120 days
CIMB (Trade facility & Revolving credit facility)	2,500	893	1,607	1.25% over COF in respect of the Trade facility 1.5% in respect of the Revolving credit facility	88-115 days
SCB (Trade facility)	2,000	–	2,000	4.5% over COF	360 days
HSBC (Revolving loans)	2,500	2,500	–	2.3% over COF	90 days
SCB (Revolving loans)	2,000	1,600	400	3.0% over COF	90 days
DBS (Revolving loans)	3,000	2,415	585	2.0% over 1, 3 or 6-month COF	90 days
ANZ (Revolving loans)	1,500	1,500	–	Negotiable	90 days
HSBC (Term loan)	500	500	–	3.5% above COF	60 months from drawdown
HSBC (Term loan)	3,000	3,000	–	3.75% above COF	36 months from drawdown

CAPITALISATION AND INDEBTEDNESS

Name of bank/ (Types of facilities)	Facilities granted (S\$'000)	Utilised (S\$'000)	Unutilised (S\$'000)	Interest rate (per annum)	Maturity profile
SCB (Term loan)	2,500	2,500	–	1.15%	36 months from drawdown
CIMB (Term loan)	2,500	2,500	–	1.5% above COF	36 months from drawdown
HSBC (Property loan)	640	640	–	<p><u>1st year:</u> 3.9% below Special Board Rate (“SBR”)</p> <p><u>2nd year:</u> 3.55% below SBR</p> <p><u>3rd year:</u> 1.75% below SBR</p> <p>Thereafter, interest rate shall be fixed at SBR</p>	15 years
HSBC (Property loan)	640	640	–	<p><u>1st year:</u> 1.32% above 1-month COF/cost of liquidity (“COL”)</p> <p><u>2nd year:</u> 1.72% above 1-month COF/COL</p> <p>Thereafter, interest rate shall be fixed at 3.04% above 1-month COF/COL</p>	15 years
DBS (Property loan)	1,200	1,200	–	<p><u>1st three (3) month period (“Period”):</u> 0.88% plus 3-month Singapore Interbank Offered Rate (“SIBOR”)</p> <p><u>2nd – 4th Periods:</u> 0.88% plus 3-month SIBOR</p> <p><u>5th – 8th Periods:</u> 1.28% plus 3-month SIBOR</p> <p><u>9th Period onwards:</u> 3.0% plus 3-month SIBOR</p>	7 years

CAPITALISATION AND INDEBTEDNESS

Name of bank/ (Types of facilities)	Facilities granted (S\$'000)	Utilised (S\$'000)	Unutilised (S\$'000)	Interest rate (per annum)	Maturity profile
HSBC (Performance guarantee)	36	–	36	Standard Tariff Commission Rate	–

As at the Latest Practicable Date, save as disclosed above, our Group does not have any other loans or borrowings or bank facilities.

The securities in relation to the bank borrowings include, *inter alia*, personal guarantees from certain Directors of our Company and charges on all sums in the current account maintained by TCPL and a first fixed and floating charge on all present and future assets of TCPL. The property loans are secured by first mortgage over leasehold properties owned by our Group.

Please refer to the section entitled “Interested Person Transactions” of this Offer Document for further details of the guarantees provided by the certain Directors of our Company.

To the best of our Directors’ knowledge, as at the Latest Practicable Date, we were not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments of our Shareholders.

GENERAL INFORMATION ON OUR GROUP

OUR HISTORY

Our Company was incorporated in Singapore on 22 June 2015. In preparation for our listing, we undertook the Restructuring Exercise whereby our Company acquired the entire shareholding interest in Taka Singapore and became the holding company of our Group. Please refer to the section entitled “Restructuring Exercise” of this Offer Document for further details.

The history of our Group can be traced back to 1997 when our Managing Director, Mr Michael Teo, and our Executive Director, Mr Ang Kah Leong, spearheaded the setting up of Taka Singapore (formerly known as Metallic Refining Enterprise Pte Ltd) to engage in the business of wholesale of jewellery and the manufacture of gold jewellery casings. Taka Singapore primarily sold jewellery on a wholesale basis to other retailers of jewellery, such as Taka Gold. Our Group has been the sole supplier of jewellery to Taka Gold since 2001.

Taka Gold was a wholesaler and retailer of jewellery, and had a network of retail outlets selling jewellery under the brand name “Taka Jewellery” mostly in heartland districts and suburban malls throughout Singapore. Taka Gold also sold jewellery on a wholesale basis in Exhibitions which it actively participated in.

Taka Gold was commissioned to produce diamond brooches and white gold tie pins and host product knowledge briefings for the dignitaries of “Singapore 2006”, a group of several concurrent events held in Singapore in support of the 61st annual meetings of the board of governors of the International Monetary Fund and the World Bank Group. Such diamond brooches and white gold tie pins were supplied to Taka Gold by our Group, which our Directors believe is a testament to the quality of our Group’s jewellery.

In 2007, seeing a need to expand the business of our Group beyond Singapore and to move into the global market, our subsidiary, Voi, was incorporated to engage in the marketing and sale of a contemporary line of jewellery under the brand name “Voi” in Exhibitions.

In 2011, our Group supplied jewellery to Taka Gold when Taka Gold organised the first International Jewellery Preview at Marriott Hotel, Singapore, which was a four (4) day event that showcased jewellery designs to Taka Gold’s customers from around the world.

In 2012, our Group incorporated our subsidiary, Lovis, to engage in the business of retail of jewellery under the brand name of “Lovis Diamonds”, targeting consumers seeking customised diamonds and fine jewellery. In July 2012, together with our longstanding business partner, Mr Mehta Vimesh Piyush, our Group incorporated Globe Diamonds, our Associated Company, which is engaged in the wholesale of diamonds. Such an upstream vertical integration was a strategic move to strengthen the ability of our Group to secure diamond supplies.

In 2013, our Group ventured into the pawnbroking business and the trading and retail of secondhand jewellery and watches, which our Managing Director, Mr Michael Teo, and our Executive Director, Mr Ang Kah Leong, identified potential in. Our subsidiaries, TCPL and TCJPL, were incorporated in 2013 to engage in such businesses and our pawnshops and retail outlets selling secondhand jewellery and watches in Yishun and Serangoon Road started operations in 2014.

In 2013, Lovis set up three (3) retail outlets at Mandarin Gallery, Bedok Mall and Westgate.

GENERAL INFORMATION ON OUR GROUP

In line with our Group's on-going strategy to expand its business and identifying the potential in the retail and exhibition business of Taka Gold, our Group undertook the Business Acquisition, and acquired the business of Taka Gold with effect from 1 April 2014 in a strategic move towards downstream vertical integration. For further details on the Business Acquisition, please refer to the section entitled "General Information on our Group – Business Acquisition" of this Offer Document.

As at the Latest Practicable Date, our Group has a retail network consisting of 19 retail outlets under the brand name of "Taka Jewellery" and "Lovis Diamonds" located throughout Singapore and two (2) pawnshops in Yishun and Serangoon Road. In addition, our Group has also participated in more than 20 Exhibitions in FY2015 to sell jewellery on a wholesale basis, which generated revenue of S\$77.6 million, representing 50.4% of our total revenue in FY2015. For further details on our Group's business, please refer to the section entitled "General Information on our Group – Business Overview" of this Offer Document.

BUSINESS ACQUISITION

Taka Gold was first incorporated in 2001 for the purpose of the retailing of jewellery when it identified a growing demand for affordable quality jewellery for the mass market which was not being met by jewellery businesses then. In April 2001, it set up its first retail outlet in the heartland district of Clementi, selling jewellery under the brand name of "Taka Jewellery". It also noted the increasing popularity of suburban shopping malls and proceeded to set up retail outlets in suburban shopping malls such as Heartland Mall and Century Square, and subsequently built up a network of retail outlets selling jewellery throughout Singapore.

Taka Gold made its first foray into the international jewellery market by participating in the Hong Kong Jewellery Show in 2003, where it sold jewellery on a wholesale basis. Encouraged by the positive results from the Hong Kong Jewellery Show, it continued to participate in other Exhibitions to increase its market recognition on the global stage.

In light of Taka Gold's experience in jewellery retail and exhibition business, our Group saw potential in acquiring Taka Gold as part of our vertical integration strategy.

Pursuant to a business transfer agreement dated 30 June 2014 ("**BTA**") entered into between Taka Singapore and Taka Gold, Taka Singapore acquired from Taka Gold the business of Taka Gold ("**Business Acquisition**") with effect from 1 April 2014 which comprises:

- (a) certain assets of Taka Gold such as existing lease agreements which were to be novated to Taka Singapore, fixed assets such as vehicles and trademarks for an aggregate consideration of S\$7,257,258, being the consideration attributable to the business of Taka Gold other than the consideration payable on the Target Shares (as defined below); and
- (b) all the issued shares in the share capital ("**Target Shares**") of each of:
 - (i) Taka Dubai, for a consideration of S\$545,213, which is the equivalent to the audited net asset value of Taka Dubai recorded in its audited financial statements as at 31 March 2014;

GENERAL INFORMATION ON OUR GROUP

- (ii) Taka HK for a consideration of S\$768,830, which is the equivalent to the audited net asset value of Taka HK as recorded in its audited financial statements as at 31 March 2014; and
- (iii) Taka Malaysia, based on a nominal consideration of S\$1 after taking into account that Taka Malaysia was in a net liabilities position.

The aggregate consideration for the Business Acquisition was S\$8,571,302 and was agreed upon on a willing seller willing buyer basis.

The Business Acquisition was conducted for the following reasons:

- (1) *Strong track record and brand* – Taka Gold’s business of retail and wholesale of jewellery has a strong track record, being in operation for more than 10 years, and the “Taka Jewellery” brand is recognised locally and globally.
- (2) *Enhance revenue streams* – The Business Acquisition provided us with the opportunity to expand downstream, such that we can significantly enhance our retail, wholesale and international businesses by consolidating the retail business and exhibition business of Taka Gold together with our existing business operations as well as leverage on the experienced management and operational team of Taka Gold.
- (3) *Tax efficiency* – The Business Acquisition supports our ability to qualify for the Major Exporter Scheme, which is administered by IRAS, and allows us to reap tax benefits and incentives to enjoy lower tax rates that did not avail to our Group prior to the Business Acquisition.

BUSINESS OVERVIEW

Our Group is principally engaged in the businesses of:

- (a) selling jewellery (the “**Jewellery Business**”) at:
 - (i) our retail outlets and our HQ, on a retail basis (“**Retail Business**”); and
 - (ii) Exhibitions which we participate in, on a wholesale basis (“**Exhibitions Business**”); and
- (b) providing pawnbroking services as well as the retail and trading of pre-owned jewellery and watches (“**Pawnbroking Business**”).

Our Group also provides after-sales services to customers such as repairing and engraving, and customisation works on an ad-hoc basis such as the setting of loose diamonds, alteration of ring sizes and plating of jewellery.

GENERAL INFORMATION ON OUR GROUP

Our revenue derived from the Retail Business, Exhibitions Business and the Pawnbroking Business for the Period Under Review are as follows:

(S\$'000)	FY2013	FY2014	FY2015
Retail Business⁽¹⁾	5,309	5,343	76,264
Wholesale of jewellery to Taka Gold and its subsidiaries pre-Business Acquisition⁽¹⁾⁽²⁾	116,900	106,786	–
Exhibitions Business⁽²⁾	1,019	659	77,573
Pawnbroking Business	–	–	147
Total	123,228	112,788	153,984

Notes:

- (1) Increase in the Retail Business in FY2015 was due to the reclassification of revenue from Taka Gold's retail outlets to our Retail Business. The revenue from these outlets were previously classified under wholesale of jewellery to Taka Gold and its subsidiaries pre-Business Acquisition.
- (2) Increase in the Exhibitions Business in FY2015 was due to the reclassification of revenue from Taka Gold's participation in the Exhibitions to our Exhibition Business. The revenue from the Exhibitions were classified under wholesale of jewellery to Taka Gold and its subsidiaries pre-Business Acquisition.

Jewellery Business

Our Jewellery Business comprises the Retail Business and the Exhibitions Business.

Retail Business

As at the Latest Practicable Date, our Group has a total of 19 retail outlets located at various heartland districts and suburban malls throughout Singapore. We also sell jewellery from our HQ.

An illustration of the location of our retail outlets is set out in the picture below:



Our customers at our retail outlets are primarily walk-in customers while our customers at our HQ are primarily customers who are retailers and sole proprietors in the jewellery business.

GENERAL INFORMATION ON OUR GROUP

Our Group also trades in secondhand jewellery and gold on an ad-hoc basis with our walk-in customers at our retail outlets. For further details on the licences obtained by our Group in respect of dealing with secondhand jewellery, please refer to the section entitled “General Information on our Group – Approvals, Licences and Government Regulations” of this Offer Document.

Exhibitions Business

Our Group participates in Exhibitions and sells our jewellery in the US, Europe, Middle East, East Asia and Southeast Asia where such Exhibitions are being held. Notable Exhibitions that we have participated in are as follows:

Exhibition	Location
HKTDC Hong Kong International Jewellery Show	Hong Kong Convention and Exhibition Centre, Hong Kong
Baselworld	Messe Basel, Switzerland
Dubai International Jewellery Week	Dubai World Trade Centre, Dubai

Our Group has participated in more than 20 Exhibitions in FY2015. Our customers from the Exhibitions are typically participants at such Exhibitions who are retailers and/or wholesalers, traders or consumers.

Our jewellery

Our Group has a wide range of jewellery encompassing jewellery made from different raw materials and designs ranging from classic designs to contemporary designs, which are marketed under our brand names “Taka Jewellery”, “Voi” and “Lovis Diamonds”. Our Group’s broad range of jewellery allows us to cater to a wide range of customers, ranging from homemakers to young working executives.

We procure raw materials such as precious stones (such as diamonds), semi-precious stones, pearls and precious metals (such as gold) from suppliers through our agents in Singapore or contacts that we have made from the Exhibitions that we participate in.

The manufacture of our jewellery is sub-contracted to our manufacturing sub-contractors that are based in the PRC. Our manufacturing sub-contractors manufacture our jewellery based on designs drawn up by their in-house design teams which are strictly based on input and specifications provided by our Group. The raw materials that we procure are provided to our manufacturing sub-contractors for the manufacture of our jewellery.

For further details on our business process for our Jewellery Business, please refer to the section entitled “General Information on our Group – Business Process” of this Offer Document.

Pawnbroking Business

Our Group also provides pawnbroking services.

Pawnbroking services

Pawnbroking is a form of collateralised micro-financing and is a regulated and licensed activity under the Pawnbrokers Act 2015.

GENERAL INFORMATION ON OUR GROUP

Our customers at our pawnshops are primarily walk-in customers. We typically accept gold, platinum and silver bars and coins, and value articles (such as precious stones, branded jewellery and watches) as collaterals for the loans we extend to our customers. Such articles are assessed and valued by our staff and a loan will be offered to our customer based on a percentage of the value of the article.

The maximum interest rate chargeable by us to our customers for the loan extended is regulated by the Pawnbrokers Act 2015 and is, as at the Latest Practicable Date, a maximum of 1.5% per month. For further details on the relevant regulations to our pawnbroking business, please refer to “Government Regulations” as set out in Appendix B of this Offer Document.

Every pledged article is redeemable within six (6) months from the day on which the pledge was made, irrespective of pledge amount, or such longer time as may have been specifically agreed upon on the date the pledge was made (“**Redemption Period**”). Redemption of the pledged article is by way of repayment of the loan and the accrued interest. Where the Redemption Period ends on a day when our pawnshops are closed for business, the Redemption Period is extended to the next day when our pawnshops open for business, and we cannot charge any further interest on such extended Redemption Period.

The Redemption Period may be extended for one (1) or more times by agreement between us and the person entitled to redeem the pledge, even if the Redemption Period has expired.

After the Redemption Period, all unredeemed pledges shall be forfeited on the expiry of one (1) month after we serve a notice of forfeiture to the pawner stated on the pawn ticket, and the pledge will thereafter become our property. We cannot sue the pawner for the loan or interest charged on the pledge.

Where a person is entitled to redeem a pledge but does not have a pawn ticket, such person may apply to us stating the grounds on which he claims to be entitled to redeem the pledge, and we will make reasonable inquiries as to the truth of the matters stated in such application. Unless we have any reason to believe that the applicant is not entitled to redeem the pledge, we will issue a replacement pawn ticket to the applicant and cancel the existing pawn ticket.

In the event that a person claims to be the rightful owner of goods which are incorrectly pawned, such person can serve a notice on us stating the grounds of his claim and we may refuse to deal with the pledge for a period of three (3) months after the date on which the notice is served on us, and no interest is chargeable on the loan secured on the pledge during this period. If there is a court order for the pledge to be disposed of, we must comply with such court order.

Retail and trading of pre-owned jewellery and watches

Pre-owned jewellery and watches which are forfeited after the Redemption Period are sorted and categorised based on various factors such as make, condition and price. Certain articles will be sent for refurbishment and subsequently sent for sale at our retail outlets.

APPROVALS, LICENCES AND GOVERNMENT REGULATIONS

Save as disclosed in the sections entitled “Risk Factors” and “Government Regulations” as set out in Appendix B of this Offer Document, we are not subject to any government regulations in the countries where we operate other than those generally applicable to companies and businesses

GENERAL INFORMATION ON OUR GROUP

in such countries, which will have a material effect on our business operations. For details on applicable laws and regulations, please refer to “Government Regulations” as set out in Appendix B of this Offer Document.

To the best of our Directors’ knowledge, our Company has obtained all the necessary business licences for our day-to-day operations. Apart from the business licences that are of general application, as at the date of this Offer Document, we have obtained the following specific licences for our business:

Licences

Entity	Country	Type of licence	Validity period	Licence number	Issuing authority
Lovis	Singapore	Secondhand Goods Dealer’s licence for dealing in secondhand goods at 311, New Upper Changi Road, #01-91, Bedok Mall, Singapore 467360	26 May 2015 to 25 May 2016	L/SD/000101/2015	Police Licensing and Regulatory Department, Singapore Police Force
TCPL	Singapore	Pawnbroker’s licence for pawnbroking at: <ul style="list-style-type: none"> • 83, Serangoon Road, Singapore 217988 • Yishun Shop Lot 	15 December 2014 to 31 December 2015	04187 and 04188	Registrar of Pawnbrokers, Ministry of Law, Singapore
Taka Dubai	United Arab Emirates	Jewellery trading	27 February 2011 to 26 February 2016	650498	Dubai Economic Department
Taka Dubai	United Arab Emirates	Pearls and precious stones trading	27 February 2011 to 26 February 2016	650498	Dubai Economic Department
Taka Dubai	United Arab Emirates	Watch trading	27 February 2011 to 26 February 2016	650498	Dubai Economic Department

Our Directors are of the view that our Group will not have any difficulty in renewing the licences which are due to expire within the next 12 months.

GENERAL INFORMATION ON OUR GROUP

Exemptions

Taka Singapore, Lovis and TCJPL have each obtained an exemption under the Secondhand Goods Order to deal in the following secondhand goods: (a) jewellery set with precious stones including but not limited to diamonds, jade, rubies, sapphires and emeralds; (b) jewellery made from platinum, gold and white gold without precious stones; and (c) watches, at the following outlets:

Entity	Location
Taka Singapore	<ul style="list-style-type: none"> • 53 Ang Mo Kio Ave 3 #B1-53 AMK Hub Singapore 569933 • Blk 702 Ang Mo Kio Ave 8 #01-2519 Singapore 560702 • Blk 205 Bedok North St 1 #01-373 Singapore 460205 • 10 Chua Chu Kang Ave 4 #01-28/29 Chua Chu Kang MRT Station Singapore 689810 • Blk 442 Clementi Ave 3 #01-89 Singapore 120442 • 2, Tampines Central 5 #01-27/28 Century Square Singapore 529509 • Blk 205 Hougang Street 21 #01-133/135 Singapore 530205 • 2 Jurong East St 21 #01-28 IMM Building Singapore 609601 • 2 Orchard Turn #B2-63 ION Orchard Singapore 238801 • 304 Orchard Road #01-17 Lucky Plaza Singapore 238863 • Blk 83 Marine Parade Central #01-552 Singapore 440083 • 150 Orchard Road #01-52 Orchard Plaza Singapore 238841 • 1 Park Road #01-60 People's Park Complex Singapore 059108 • 180A Orchard Road Peranakan Place Singapore 238846 • Blk 520 Toa Payoh Lor 6 #01-62 Singapore 310520 • 20 Tampines Central 1 #01-29/30 Tampines MRT Station Singapore 529538
Lovis	<ul style="list-style-type: none"> • 333A Orchard Road #03-04 Mandarin Gallery Singapore 238897 • 3 Gateway Drive #02-11 Westgate Singapore 608532
TCJPL	<ul style="list-style-type: none"> • 83 Serangoon Road Singapore 217988 • Yishun Shop Lot

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The exemptions under the Secondhand Goods Order do not have a prescribed validity period. Further, pursuant to the Secondhand Goods Dealers (Exemption of Licensed Pawnbrokers) Order, TCPL is exempt from holding a licence as a secondhand goods dealer as it holds a pawnbroking licence issued by the Registrar of Pawnbrokers.

Anti-money laundering procedures (“AML”)

We have a framework of AML procedures in place, which includes reporting suspicious cash transactions to the Suspicious Transaction Reporting Office of the Commercial Affairs Department of Singapore. New wholesale customers are required to provide their information to us as part of our know-your-client process and we also conduct reputation checks on our new wholesale customers. Our Group also monitors any unusual cash transactions with new and existing customers on an ongoing basis.

BUSINESS PROCESS

The following chart sets out the main operating stages of our business process for our Jewellery Business. In respect of the description of the business process for our Pawnbroking Business, please refer to the section entitled “General Information of our Group – Business Overview” of this Offer Document.



Design and Procurement

Design

Our Group’s management conducts regular meetings to plan and decide the design concept for an upcoming jewellery line. Such meetings are typically led by our Managing Director, Mr Michael Teo and our General Manager (Exhibitions), Ms Irene Ng, who each has more than 20 years’ experience in the jewellery industry. Our management also actively participates in Exhibitions to increase their exposure to current trends and design concepts.

At such meetings, insights on the latest design concepts and current consumer preferences and markets trends are discussed and reviewed. Various factors such as customer feedback and the turnover from our retail outlets are considered in assessing current consumer preferences and market trends. This process assists our Group in aligning our jewellery design with consumer preferences and market trends.

Upon deciding on the design concept for an upcoming jewellery line, our management will liaise with our manufacturing sub-contractors’ in-house design team to prepare jewellery designs based on input and specifications provided by our Group.

GENERAL INFORMATION ON OUR GROUP

Procurement

Our procurement team, led by our Managing Director, Mr Michael Teo and our Executive Director, Mr Ang Kah Leong, procures and sources for raw materials such as precious stones, semi-precious stones, pearls and precious metals for our Group. We are able to secure raw materials at competitive prices due to well-established relationships between our Group and our suppliers.

Our procurement team communicates regularly with our management and sales team so as to determine the appropriate quantities and qualities of raw materials required by our Group for the manufacture of jewellery for (a) any upcoming new jewellery line; or (b) replacement of inventory for existing lines of jewellery at our retail outlets. Because of the scale of our operations, we often purchase raw materials in bulk, which gives us further leverage in securing competitive prices. Due to our Group's good relationship with our suppliers, our suppliers usually extend to us the opportunity to enjoy first priority in selecting raw materials for purchase once such raw materials become available.

We typically purchase our raw materials from suppliers at the Exhibitions in which we participate or through our suppliers located in Singapore, Hong Kong and India. We evaluate suppliers based on, among others, their reputation and ability to meet our quality and quantity requirements. Upon purchase, the raw materials are typically delivered to us at the Exhibitions or freighted directly to our manufacturing sub-contractors or to our HQ for further handling. Quality checks upon delivery of our orders are conducted by us or our manufacturing sub-contractors to ensure that such raw materials meet our requirements. We may return raw materials that do not meet our requirements and may cease procuring from any supplier whose raw materials do not meet our requirements.

Manufacturing

The production of our jewellery is outsourced to manufacturing sub-contractors under our strict quality control. Operating history, reputation and the ability to meet our quality and quantity requirements are our Group's key considerations when selecting such manufacturing sub-contractors. We have control over the quality of the jewellery produced by stipulating the design of the jewellery and the raw materials used during the manufacturing process.

Our management team works with the in-house design team of our manufacturing sub-contractors to create the designs for our jewellery based on our Group's design concept. Hand sketches are first produced for our Group's approval, after which models of the designs using various methods of modelling such as wax modelling and cad-cam modelling are made. Computer-aided design and computer-aided manufacturing modelling, in particular, is typically used to achieve high level of precision and efficiency. Once a modelled prototype is approved by our Group's management, our Group will provide instructions to our manufacturing sub-contractors as to the quantity to be manufactured after taking into account the expected market demand.

Raw materials are procured by our Group's procurement team and freighted to our manufacturing sub-contractors for manufacturing, who upon receipt of such raw materials will conduct a quality inspection on a sampling basis to ensure that our Group's quality standards are met. Prior to entering the production line, the raw materials are re-inspected again. Finished items are subject to our quality control checks. Jewellery that do not meet our quality requirements are sent back to our manufacturing sub-contractors for rectification where possible. Payment is made only upon receipt of finished jewellery which meet our quality requirements and we typically do not place a deposit or make advanced payments to our manufacturing sub-contractors. Our Group also has

GENERAL INFORMATION ON OUR GROUP

a quality control manager stationed at each of our manufacturing sub-contractors' facilities to ensure that the manufacturing sub-contractors adhere to the stringent quality requirements required by our Group in the manufacturing of our jewellery.

The finished jewellery pieces are freighted from our manufacturing sub-contractors to our inventory department at our HQ, where they are carefully checked for quality, design specifications and cost accounting, before they are entered into the inventory system. The goods which fail such checks will be sent back to our manufacturing sub-contractors.

Sales and Marketing

We conduct sales of our jewellery primarily from our retail outlets and at the Exhibitions which we participate in. We also sell jewellery from our HQ to customers who are retailers and sole proprietors in the jewellery business.

For sales conducted at our retail outlets, our operations managers have the discretion to offer discounts on the price of our jewellery based on our Group's prevailing pricing policy in order to maximise returns. Our sales team would conduct marketing activities at the façade of our retail outlets and conduct over the counter sales with our customers, who are typically walk-in customers. Delivery, invoicing and payment are usually concluded on the spot. Our sales team at each retail outlet conducts daily stock-takes and reports any shortfall or irregularities in inventory to the operations manager of such retail outlet, who will in turn update our HQ. Our HQ will collate and determine the amount of jewellery to be sent to each retail outlet for purposes of replenishing each retail outlet's inventory.

For sales conducted at the Exhibitions, we typically set up booths to display and sell our jewellery. We select suitable operations managers and sales staff from our various retail outlets to man the booths at such Exhibitions. Our customers from the Exhibitions are typically participants at such Exhibitions who are themselves retailers and/or wholesalers, traders or consumers. In cases that involve bulk purchases, or high value sales, our top management, comprising our Managing Director, Mr Michael Teo and our General Manager (Exhibitions), Ms Irene Ng, are involved in the negotiations with these customers. At the end of each Exhibition, the team returns the balance products back to our HQ, for inventory management and further assortment in preparation for the next Exhibition or sale at our retail outlets.

For further details on our sales and marketing activities, please refer to the section entitled "General Information on our Group – Sales and Marketing Activities" of this Offer Document.

SALES AND MARKETING ACTIVITIES

We have a dedicated sales and marketing team consisting of, as at the Latest Practicable Date, 99 persons, led by our Managing Director, Mr Michael Teo, who is assisted by our General Manager (Exhibitions), Ms Irene Ng, and our General Manager (Local), Ms Julia Tan.

Our sales and marketing team is in charge of the formulation of marketing strategies, securing of new customers, maintenance of customer relationships and performing competitor and market analysis.

GENERAL INFORMATION ON OUR GROUP

Our sales and marketing activities for our Jewellery Business include the following:

(a) **Retail Business**

We sell our jewellery products at our local retail outlets and our HQ. As at the Latest Practicable Date, our Group has 16 retail outlets under the brand name of “Taka Jewellery”, and three (3) retail outlets under the brand name of “Lovis Diamonds”.

In-store sales and marketing activities are regularly hosted at our retail outlets such as:

- (i) *Discount promotions* – organising monthly promotions at our retail outlets to offer competitive prices to our customers;
- (ii) *Distribution of POS materials* – designing and installing new POS materials within our retail outlets to attract customers such as fliers to create publicity for our on-going promotions and events;
- (iii) *Promotional campaigns* – running promotional campaigns to coincide with festive periods and special occasions such as Valentine’s Day and Chinese New Year or for specific lines of jewellery, such as solitaires or GIA diamond jewellery; and
- (iv) *In-store events* – organising in-store events such as tea parties to go along with any on-going sales promotion at our retail outlets.

Apart from in-store sales and marketing activities, we conduct sales and marketing activities out of our retail outlets to reach out to the public such as:

- (1) *Road shows* – conducting road shows in prime locations such as shopping malls and distributing free gifts to the public and using flyers, banners and posters at such road shows to increase brand awareness and visibility of our outlets;
- (2) *Warehouse sales* – holding warehouse sales where we offer our jewellery at discounted prices and organise promotional activities such as the redemption of free gifts; and
- (3) *International jewellery preview events* – hosting international jewellery preview events, where we distribute exclusive door gifts to our attendees, who typically comprise both our international and local customers.

(b) **Exhibitions Business**

Our Group actively participates in Exhibitions to promote our jewellery under the brand names “Taka Jewellery” and “Voi”. Our sales and marketing team selects the Exhibitions which our Group takes part in based on the:

- (i) *Exhibition brand* – whether such Exhibitions are well-established and have global recognition in the jewellery industry, the participation of which would give our Group and our jewellery greater global exposure and also give our Group exposure to the latest global market trends; and

GENERAL INFORMATION ON OUR GROUP

- (ii) *Participants* – whether the participants of such Exhibitions are jewellery industry players, comprising both jewellers and suppliers of raw materials, which would facilitate the marketing and sale of our jewellery to such jewellers and purchase of raw materials from such suppliers.

The major Exhibitions which we participate in include:

- (1) HKTDC Hong Kong International Jewellery Show;
- (2) Baselworld in Switzerland; and
- (3) Dubai International Jewellery Week.

Our sales and marketing activities for our Pawnbroking Business includes conducting in-store promotions from time to time.

In addition to the above, in respect of both our Jewellery Business and our Pawnbroking Business, we advertise regularly through major international newspapers, magazines and trade directories such as The Straits Times, TODAY, Vogue Italia and JNA. Additionally, we also believe that word-of-mouth advertising by satisfied customers remains one of the most important mediums to generate demand.

RESEARCH AND DEVELOPMENT

The nature of our business does not require us to conduct and research and development activities. However, we do conduct market studies from time to time to assess the latest consumer preferences and market trends. We have not spent a significant amount on such market studies during the Period Under Review.

AWARDS AND CERTIFICATIONS

The “Taka Jewellery” brand, which we acquired pursuant to the Business Acquisition, had previously received the following awards:

Awards	Awarding authority	Year
Singapore Prestige Brand Award – Promising Brands	Association of Small and Medium Enterprises	2008
Superbrand Status	Superbrands Singapore	2006

INSURANCE

We currently maintain the following different types of insurance policies to cover our operations:

- Jewellers’ block for our local and overseas operations;
- Liability insurance for loss of jewellery while couriered or transported;
- Fidelity guarantee endorsements for losses arising from an act of or acts of fraud or dishonesty committed by employees of our Group;

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- Public liability for commercial risk at our retail outlets;
- Fire risks at our retail outlets, our HQ and our warehouses;
- Special risks for plate glass, fixtures and fittings at our retail outlets;
- Burglary; and
- Motor vehicle insurance for vehicles owned by our Group.

We review our insurance policies from time to time for adequacy in the breadth of insurance coverage. Our Directors are of the view that the present insurance coverage maintained is adequate for our existing operations. In particular, we have taken up a fidelity guarantee endorsement in respect of our jewellers' block insurance, to cover all direct losses that we may sustain through any act or acts of fraud or dishonesty committed by any employee of our Group whilst in his service. However, significant damage to our operations may still have a material adverse effect on the results of our operations or financial condition. If such events were to occur, our business may be materially or adversely affected. Please refer to the section entitled "Risk Factors" of this Offer Document for more details. We have not experienced any difficulties obtaining or renewing our insurance policies, or on realising claims under any of our insurance policies.

Our Directors will perform annual reviews on our insurance policies to ensure that the insurance coverage is satisfactory in our view.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, our Group has registered certain trademarks and registered designs. For further details, please refer to "Intellectual Property" as set out in Appendix E of this Offer Document. Our Group is not materially dependent on any patent, patent rights, licences, processes or other intellectual property.

PROPERTIES AND FIXED ASSETS

The following tables set out all the properties owned and/or leased by our Group as at the Latest Practicable Date. Save as disclosed below, our Group does not own or lease any properties.

Taka Singapore

As at the Latest Practicable Date, Taka Singapore owns the following properties:

Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Occupant
3 Kaki Bukit Place, Eunos Techpark Singapore 416181/ Office and warehouse.	4,795.32	Leasehold estate for 60 years commencing from 20 November 1995	Office and warehouse	Taka Singapore

GENERAL INFORMATION ON OUR GROUP

Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Occupant
30, Kaki Bukit Road 3, #01-01, Empire Technocentre Singapore 417819/Warehouse	1,894.45	Leasehold estate for 60 years commencing from 9 January 1995	Warehouse	Taka Singapore
Yishun Shop Lot/Retail shop	204.51	Leasehold estate for 84 years commencing from 1 July 1992	Pawnshop and retail outlet	TCPL and TCJPL

As at the Latest Practicable Date, Taka Singapore leases the following properties:

Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Lessor
53 Ang Mo Kio Ave 3 #B1-53 AMK Hub Singapore 569933/ Retail space	602.78	Three (3) years commencing from 26 May 2014	Retail outlet	Mercatus Co-operative Limited
Blk 702 Ang Mo Kio Ave 8 #01-2519 Singapore 560702/ Retail space	700	Three (3) years commencing from 1 February 2013 with an option to renew for an additional three (3) years	Retail outlet	Tan Kah Soo, Tan Kah Huat and Tan Ka Beng
Blk 205, Bedok North St 1 #01-373 Singapore 460205/Retail space	650	Two (2) years commencing from 22 March 2015 with an option to renew for an additional two (2) years	Retail outlet	Lim Liang Hwee, Chew Ah Lai, Lim Choong Chai and Lim Choong Hwa
10 Choa Chu Kang Ave 4 #01-28/29, Chua Chu Kang MRT Station, Singapore 689810/ Retail space	430.55	Three (3) years commencing from 20 September 2013	Retail outlet	SMRT Trains Ltd
Blk 442 Clementi Ave 3 #01-89 Singapore 120442/Retail space	350	Three (3) years commencing from 1 June 2014	Retail outlet	Tan Han Swee

GENERAL INFORMATION ON OUR GROUP

Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Lessor
2, Tampines Central 5 #01-27/28 Century Square Singapore 529509/Retail space	592	Three (3) years commencing from 29 October 2013	Retail outlet	Century Square Holding Pte Ltd
Blk 205 Hougang Street 21 #01-133/135 Singapore 530205/ Retail space	818	Three (3) years commencing from 26 May 2014	Retail outlet	Heartland Retail Holdings Pte Ltd
2 Jurong East St 21 #01-28 IMM Building Singapore 609601/ Retail space	480.18	Three (3) years commencing from 9 December 2012 with an option to renew for an additional three (3) years	Retail outlet	HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitalMall Trust
2 Orchard Turn #B2-63 ION Orchard Singapore 238801/Retail space	1,851.41	Four (4) years commencing from 1 May 2015	Retail outlet	Orchard Turn Retail Investments Pte Ltd
304 Orchard Road, #01-82 Lucky Plaza Singapore 238863/ Retail space	382	Three (3) years commencing from 1 November 2014	Retail outlet	Lee & Boey Pte Ltd (Boey Bee Cheng)
304 Orchard Road #01-17 Lucky Plaza Singapore 238863/ Retail space	460	Three (3) years commencing from 15 April 2014 with an option to renew for an additional three (3) years	Retail outlet	Larry Singapore Pte Ltd
Blk 83 Marine Parade Central #01-552 Singapore 440083/ Retail space	700	Three (3) years commencing from 5 June 2014 with an option to renew for an additional three (3) years	Retail outlet	Bata Shoe Singapore Pte Ltd
150 Orchard Road #01-52 Orchard Plaza Singapore 238841/ Retail space	387	Two (2) years commencing from 15 November 2014 with an option to renew for an additional two (2) years	Retail outlet	Instyle Fashion (Hemandas Virumal Mahtani)

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Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Lessor
1 Park Road #01-60 People's Park Complex Singapore 059108/ Retail space	388	35 months and 17 days commencing from 15 August 2013 with an option to renew for an additional three (3) years	Retail outlet	Chan Sing Kit Pte Ltd
180A Orchard Road Peranakan Place Singapore 238846/ Retail space	1,000	Three (3) years commencing from 16 August 2015	Retail outlet	Peranakan Place Complex Pte Ltd
Blk 520 Toa Payoh Lor 6 #01-62 Singapore 310520/Retail space	800	Three (3) years commencing from 15 April 2014 with an option to renew for an additional three (3) years	Retail outlet	Lee Say Seng, Lee Say Yeow and Lee Chong Wee
20 Tampines Central 1, #01-29/30 Tampines MRT Station Singapore 529538/Retail space	583	Three (3) years commencing from 21 August 2015	Retail outlet	SMRT Trains Ltd
311 New Upper Changi Road Unit #01-91 Bedok Mall Singapore 467360/Retail space	731.95	Three (3) years and three (3) months commencing from 12 December 2013	Retail outlet	Brilliance trustee Pte. Ltd., as Trustee of Brilliance Mall Trust
333A Orchard Road Mandarin Gallery #03-04 Singapore 238867/Retail space	548.96	Three (3) years commencing from 27 November 2012	Retail outlet	RBC Investor Services Trust Singapore Limited as trustee of OUE Hospitality Real Estate Investment Trust as Landlord
3 Gateway Drive #02-11 Westgate Singapore 608532/Retail space	688.90	Three (3) years and three (3) months commencing from 16 December 2013	Retail outlet	JG Trustee Pte Ltd as trustee of Infinity Mall Trust as Landlord

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TCJPL

As at the Latest Practicable Date, TCJPL leases the following properties:

Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Lessor
83 Serangoon Road Singapore 217988/ Retail space	204.51	Two (2) years commencing from 7 May 2014	Retail outlet	TCPL
Yishun Shop Lot/ Retail space	96.88	Three (3) years and three (3) months commencing from 1 January 2014	Retail outlet	TCPL

TCPL

As at the Latest Practicable Date, TCPL leases the following properties:

Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Lessor
83 Serangoon Road Singapore 217988/ Retail space	404	Two (2) years commencing from 7 May 2014	Pawnshop	Mega Pacific Land Pte Ltd
Yishun Shop Lot/ Retail space	204.51	Three (3) Years and three (3) months commencing from 1 January 2014	Pawnshop	Taka Singapore

Taka HK

As at the Latest Practicable Date, Taka HK leases the following property:

Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Lessor
11/F., Tung Wui Commercial Building, 27 Prat Avenue, Tsimshatsui, Kowloon, Hong Kong/Office space	1,035	Two (2) years commencing from 1 January 2014	Office	Shah Kamlesh Jivanbhai and Shah Vaishali Kamlesh

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Taka Dubai

As at the Latest Practicable Date, Taka Dubai leases the following property:

Location and description	Area (sq ft unless otherwise stated)	Tenure	Use of property	Lessor
Project No. 104, Plot No. 113-243, Al Dhagaya	497	One (1) year commencing from 1 Jan 2015	Office	Sookook Real Estate

As at the Latest Practicable Date, the fixed assets of our Group comprising leasehold properties, furniture and fittings, office equipment, motor vehicles and renovation had a net book value of approximately S\$5.3 million.

Pursuant to the Planning (Housing and Development Board Commercial Premises and Living Quarters Authorisation) Notification 2011, the written approval of HDB must be obtained for the operation of pawnshops in relation to HDB commercial premises.

Taka Singapore had obtained such written approval from HDB on 1 March 2013 for the operation of our pawnshop at the Yishun Shop Lot. As TCPL, which is leasing the Yishun Shop Lot, is using the premises as a pawnshop, no additional approval from HDB is required.

To the best of our Directors' knowledge and saved as disclosed above, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets.

CORPORATE SOCIAL RESPONSIBILITY

We recognise our responsibilities to our employees, shareholders, business partners and the communities in which we operate, and are committed to achieving long-term mutually sustainable relationships with our stakeholders. We strive to enhance our corporate social responsibility in the community through contributions for charitable causes such as making donations to support the Sri Lankan tsunami recovery efforts.

In addition, we shall be required to disclose our corporate social responsibility policies with reference to the SGX-ST's guide to sustainability reporting for listed companies published on 27 June 2011.

Our Board will establish a corporate social responsibility policy which will include the Board carrying out the following:

- (a) review and recommend our Group's policy in respect of corporate social responsibility issues;
- (b) review our Group's health, safety and environmental policies and standards;
- (c) review the social impact of our Group's business practices in the communities that we operate in;

GENERAL INFORMATION ON OUR GROUP

- (d) review and recommend policies and practices with regard to key stakeholders (suppliers, customers and employees); and
- (e) review and recommend policies and practices with regard to regulators.

INVENTORY MANAGEMENT

Our inventory comprises finished goods, goods for resale and raw materials. We utilise computerised inventory management systems to record and track the movement of our inventories. The inventory levels at each retail outlet are generally determined by various factors like buying patterns of our customers and our management's estimates of future buying patterns. The inventory levels for each Exhibition are similarly determined by management's estimation of demand at each Exhibition and the projected customers' turnout of each Exhibition.

Inventory counts, including surprise or random counts, are regularly conducted by our staff at our HQ, our retail outlets, exhibition venues and the premises of our manufacturing sub-contractors. Each retail outlet has a robust security system that includes alarm systems, safes and 24-hour surveillance systems. These security systems are linked to a central monitoring system at our HQ.

The building where our HQ is located also has surveillance systems and safes to safeguard inventories and physical access to the inventory department is restricted. Our exhibition venues are similarly guarded by security personnel, surveillance systems, armed-guarded strong rooms and safes. We also purchase relevant insurance to adequately cover the risk exposure of our inventories at various retail outlets, locations and situations.

Our Group also regularly monitors slow moving inventories and our management would specify marketing strategies to manage their sale levels, for example, arranging for their sale at events, roadshows or Exhibitions. Our raw materials comprise commonly traded items in the jewellery trade such as gold and gems, and hence do not become obsolete easily. Accordingly, for the Period Under Review, the provisions for obsolete inventories have been insignificant.

Our inventory turnover days⁽¹⁾ for the Period Under Review were as follows:

	FY2013	FY2014	FY2015
Inventory turnover days ⁽¹⁾	288	394	331

Note:

- (1) Inventory turnover days was calculated based on the inventory balance divided by cost of goods sold for the relevant financial year.

Our inventory turnover days increased in FY2014 as we had stocked up in preparation for two (2) key Exhibitions in early FY2015. In FY2015, despite the increase in cost of goods sold from FY2014 due to higher sales volume, our increased efforts to plan our inventory levels for the Exhibitions and our retail outlets helped to bring down the inventory turnover days in FY2015.

CREDIT MANAGEMENT

For the customers of our Retail Business and retail and trading of pre-owned jewellery and watches business, the only accepted mode of payment is cash (including electronic payments like NETS) and credit cards as we do not extend credit terms to such customers.

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For the customers of our businesses of wholesale of jewellery and Exhibitions Business, we only grant credit terms of between 30 to 180 days to long standing customers who have dealt in cash with us in the past and have passed our credit review process. Thereafter, we monitor their payment track record closely and ensure that they do not exceed their approved credit terms.

For the customers of our pawnbroking services, we provide loans to such customers taking into account, *inter alia*, the value of the pledged articles. These loan amounts are typically for a period of six (6) months, or any such longer period as may have been agreed at the time of pawning, until the loans are renewed or the pledged articles are redeemed.

Our Group has not experienced any material bad debts and our provision for doubtful debts (net of reversal of provisions) were nil in FY2013 and FY2014 and S\$0.5 million in FY2015.

Our trade receivables (net of allowance for impairment) as at 31 March 2015 amounted to S\$45.3 million, consisting of S\$4.7 million in relation to our Pawnbroking Business and S\$40.6 million in relation to our Jewellery Business. As at the Latest Practicable Date, approximately S\$24.9 million has been collected from debtors of the Jewellery Business.

To the best of our Directors' knowledge, there are no facts or circumstances which would result in any difficulty in the collectability of the outstanding trade receivables.

Our trade receivables' turnover days⁽¹⁾ for the Period Under Review were as follows:

	FY2013	FY2014	FY2015
Trade receivables' turnover days ⁽¹⁾	78	70	96

Note:

(1) The trade receivables' turnover days is calculated based on the trade receivables divided by revenue for Jewellery Business, i.e. excluding Pawnbroking Business.

Our Group's trade receivables turnover days was relatively stable in FY2013 and FY2014 but increased in FY2015 following the Business Acquisition, as payment from end-customers were slower than previously from Taka Gold.

Our trade payables turnover days⁽¹⁾ in the Period Under Review were as follows:

	FY2013	FY2014	FY2015
Trade payables' turnover days ⁽¹⁾	142	181	206

Note:

(1) The trade payables' turnover days is calculated based on the trade payables divided by purchases made during the relevant financial year.

We have a credit period of 120 days and our Group's trade payables turnover days have increased steadily from 142 days to 206 days during the Period Under Review as our credit terms have been extended due to our strong working relationship with our suppliers.

GENERAL INFORMATION ON OUR GROUP

STAFF TRAINING AND DEVELOPMENT

We consider our staff as an important asset of our Group, and thus we believe in equipping them with relevant skills and knowledge. We believe that the product knowledge of our staff is instrumental in maintaining our competitiveness in the market. Thus, our in-house training strives to nurture our staff to meet customers' expectations and the standards of the industry.

From time to time, we also send our staff for courses conducted by educational institutions, such as marketing and accounting courses where such skills are relevant and beneficial. For new staff, they are required to undergo on-the-job training.

Our staff training expenditure for the Period Under Review was not significant.

MAJOR CUSTOMERS

In FY2013 and FY2014, our major customer was Taka Gold and its subsidiaries as we sold our jewellery primarily to Taka Gold and its subsidiaries for their onward sales at their retail outlets and Exhibitions. Subject to the Business Acquisition, our Group assumed the retail business and exhibition business of Taka Gold and its subsidiaries and all its sales to end-customers were recorded under our Group. Retail customers comprise mainly walk-in customers, while wholesale customers comprise mainly other jewellers.

In FY2015, our customers comprise mainly individuals who purchase jewellery at our retail stores, and jewellery retailers and sole proprietors who purchase jewellery at our HQ and at the Exhibitions.

During the Period Under Review, save as disclosed in the table below, no single customer contributed five per cent. (5.0%) or more of our total revenue:

Customer	As a percentage of revenue (%)		
	FY2013	FY2014	FY2015
Taka Gold and its subsidiaries	94.9	94.7	— ⁽¹⁾

Note:

(1) Pursuant to the Business Acquisition, the business of Taka Gold was acquired by our Group in FY2015.

The Directors are of the opinion that our business and profitability are currently not dependent on any single customer or on any particular commercial contract with any customer.

To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our present relationship with our major customer.

As at the Latest Practicable Date, save for Mr Michael Teo, Mr Ang Kah Leong, Mr Lee Sui Hee and Mr Chew Tiam Poh who respectively hold 21.7%, 18.8%, 13.6% and 10.2% of the total issued and paid-up capital of Taka Gold, none of our Directors, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the above major customer.

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MAJOR SUPPLIERS AND MANUFACTURING SUB-CONTRACTORS

The table below sets forth the suppliers and manufacturing sub-contractors which comprises more than five per cent. (5.0%) of our total purchases of products and services for the Period Under Review:

Manufacturing sub-contractors	Services provided	As a percentage of total purchases (%)		
		FY2013	FY2014	FY2015
Creators Jewellery Co., Ltd	Sub-contracting services	19.4	18.9	24.0
Baros Jewellery Company Limited	Sub-contracting services	5.0	7.9	10.5

Suppliers	Raw materials supplied	As a percentage of total purchases (%)		
		FY2013	FY2014	FY2015
Globe Diamonds ⁽¹⁾	Diamonds	12.2	22.5	18.6
Dia-Globe (Singapore) Pte Ltd ⁽²⁾	Diamonds	15.6	2.1	9.1
In Collection Ltd	Diamonds	6.5	3.2	5.9
Fine Diamond Pte Ltd	Diamonds	4.5	6.2	5.3
Marudha (HK) International	Colourstones and diamonds	1.7	5.6	5.2
Jin Huang Bullion Pte Ltd	Gold bullion	9.0	0.4	–

Notes:

- (1) Globe Diamonds is our Associated Company. Taka Singapore holds 50% of the shareholding interests in Globe Diamonds, while Mr Mehta Vimesh Piyush holds the remaining 50%. Mr Mehta Vimesh Piyush and Mr Michael Teo are both directors of Globe Diamonds. Mr Michael Teo and Mr Ang Kah Leong, each a Controlling Shareholder of our Company, are deemed interested in the shares held by Taka Singapore in Globe Diamonds.
- (2) The major shareholder of Dia-Globe (Singapore) Pte Ltd, Mr Mehta Vimesh Piyush, also holds 50% of the shareholding interests in our Associated Company, Globe Diamonds.

We do not have long term contracts with our suppliers and manufacturing sub-contractors and purchases of raw materials are made on an ad-hoc basis. Our purchases of raw materials may fluctuate from year to year depending on our requirements and specifications based on consumer trends and preferences.

To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our present relationship with any of the above major suppliers and manufacturing sub-contractors.

Save as disclosed above, as at the Latest Practicable Date, none of our Directors, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of the above major suppliers and manufacturing sub-contractors.

GENERAL INFORMATION ON OUR GROUP

INDUSTRY OVERVIEW AND COMPETITION

Our Directors are of the opinion that the jewellery and pawnbroking businesses are fragmented and our Group operates in a competitive environment. On the retail front for our jewellery, our Directors are of the opinion that jewellers such as Tian Po Jewellery, Larry Jewellery and Meyson Jewellery can be considered our competitors. On the pawnbroking front, our Directors are of the opinion that individual pawnshops and shops selling secondhand goods, as well as pawnbroking chains such as Maxi-Cash and Moneymax, may be considered our competitors. In respect of Exhibitions, we are of the view that our competitors would be the other participants at such Exhibitions.

While the barriers to entry into the jewellery industry are not prohibitive, we believe that the jewellery industry is characterised by its high value inventory and ability to maintain and establish customers' goodwill. Furthermore, preference is generally given to well-established names when negotiating leases with owners of retail outlets. As such, a new entrant to the industry may not be able to easily establish a presence in heartland districts and suburban malls.

There is currently no reliable record on the market share of our Group's business, but the principal competitive factors in our industry include competitive pricing, quality, design, extensiveness of the network of clientele, market reputation and track record in the provision of quality customer service. These factors enable existing players like our Group to have a competitive advantage over new entrants to the industry.

COMPETITIVE STRENGTHS

Although we operate in a highly competitive environment, we believe that our competitive strengths will distinguish us from our competitors. Our Group prides itself on being able to make affordable jewellery available to the masses due to the following reasons:

We are able to keep up with local and international consumer trends and preferences

Our Group keeps abreast of latest jewellery trends through constant communication with our customers, suppliers and peers, and is also watchful of global industry events. This is coupled with an astute and experienced management team, which is able to identify jewellery trends and preferences to ensure the needs of our customers are met.

We enjoy economies of scale

Due to our Group's current size of operations which requires a considerable purchase of polished diamonds, semi-precious stones, precious stones, pearls and precious metals, our Directors are of the opinion that our Group is in a strong bargaining position vis-à-vis our suppliers in negotiating the purchase prices. This is also in part bolstered by our Group's market reputation as a reliable and trustworthy buyer.

Our Group has a broad industry network reach and has acquired significant industry knowledge over the years that allows us to effectively achieve low costs for our purchases.

As such, our Group is able to share such economies' savings with our end-customers and price our products competitively.

GENERAL INFORMATION ON OUR GROUP

We have a short value chain

Our Group's business model is premised upon maintaining a lean value chain via (a) procuring raw materials such as precious stones, semi-precious stones, pearls and precious metals directly from our suppliers; (b) working directly with our manufacturing sub-contractors in the manufacturing process; and (c) selling our jewellery directly to our end customers comprising walk-in customers as well as retailers and wholesalers. As the need for middlemen is eliminated, the profit margins of our Group are maximised and cost savings may be passed on our customers through competitive prices.

We offer a wide range of jewellery

Our Group carries a wide range of jewellery pieces that enables us to meet the varying tastes of our customers. This has been a critical factor in our popularity in Singapore as well as at Exhibitions where our Group regularly enjoys brisk sales and repeated orders from wholesale customers who benefit from our wide product range for their eventual sale to their end-customers.

We have strong and long-standing relationships with our suppliers

We have established long-standing relationships with many of our suppliers over the years. These relationships have enabled us to, *inter alia*, obtain a continuous supply of raw materials without major disruptions, allowed us to secure raw materials at competitive prices, enjoy first priority in selecting raw materials to purchase as and when they are available, and wield greater bargaining power in terms of the credit terms of our purchases. Our Group's established working relationship with our manufacturing sub-contractors also allows us to better manage the manufacturing costs of our jewellery.

We have an experienced management team

Led by our Managing Director, Mr Michael Teo and Executive Director, Mr Ang Kah Leong, who each has more than 30 years of experience in the industry, our Group's strong management team has been the pillar of our success. Our Managing Director and Executive Director are assisted by our Executive Officers who have rose through the ranks and have an excellent grasp in running our various business units. The latter are in turn assisted by a robust operational team, especially in the Retail Business and Exhibitions Business who have been in the industry for more than 10 years, which enables our Group to serve our customers effectively. For further details of our Executive Directors and Executive Officers, please refer to the section entitled "Directors, Management and Staff" of this Offer Document.

Our brand name "Taka Jewellery" is an established home-grown brand

Our brand name "Taka Jewellery" is an established home-grown brand that has been established since 2001 and is widely recognised by our customers. Our Directors believe our "Taka Jewellery" brand is synonymous with quality jewellery and competitive prices. We organise numerous marketing and promotional activities to promote sales and create mindshare for our brand name. We believe that with the venturing into new areas of business, such as pawnbroking, as well as the establishment of the retail of customised diamonds and fine jewellery under brand name "Lovis Diamonds", we have raised our corporate profile amongst our customers.

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We are an established participant in the Exhibitions Business

Many members of our sales team have participated in the Exhibitions Business since 2003, and our Group has participated in more than 20 Exhibitions in FY2015. Through our continued participation, we have demonstrated that we are able to understand the global jewellery consumer market and adapt to the changing trends in tastes and preferences as we reach out to more customers. We also have strong working relationships with our customers over the course of our continued presence and participation at such Exhibitions, and these relationships have enabled us to enjoy brisk sales and repeated orders from our customers year after year.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

PROSPECTS

The following discussion about our prospects and trends includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those that may have been projected in these forward looking statements.

Moving forward, barring unforeseen circumstances, due to the following factors below, our Directors believe that the outlook for our business is positive.

Prospects for our Retail Business

Our Directors believe that our prospects for sales at our retail outlets will continue to grow as a result of the following main factors:

- (a) The Singapore economy is forecast to grow moderately by 2% to 2.5% in 2015⁽¹⁾, with global growth expected to pick up gradually although the pace of growth is likely to be uneven across countries. The domestic-oriented sectors are expected to continue to expand, especially those with firm underlying demand⁽²⁾, and our Group believes that we are able to leverage on our traditional strengths of cost competitiveness and a strong understanding of the Singapore domestic market to ride on this momentum of growth.
- (b) Despite the fall in overall tourism numbers over the previous year⁽³⁾, we believe that the tourism industry remains positive. Most importantly, the expenditure of tourists rose despite the fall in numbers⁽³⁾, reflecting a rise in the spending power of tourists.

Our Group will benefit from strong tourism sales. Singapore is considered one of the more popular destinations for shopping internationally⁽⁴⁾, and luxury goods companies like ours generally benefit from favourable global tourism trends⁽⁴⁾. Demand for luxury goods as a result of a growing affluent middle class within the ASEAN region with higher disposable income⁽⁵⁾ is expected to contribute to demand for our goods.

Prospects for our Exhibition Business

- (a) We are reaping the benefits of our constant efforts in reaching out to the international market. We have been participating actively in the Exhibitions Business and have improved on our range of products offered at the Exhibitions Business. In FY2015, the revenue from our Exhibitions Business sales was S\$77.6 million, representing 50.4% of our total revenue. This was achieved despite uncertainties in the global economy in the past few years, and demonstrates the resilience and diversity of our Group's Exhibitions Business. As such, our Directors believe that our Group's Exhibitions Business will continue to see growth.
- (b) The outlook for diamond jewellery sales growth in 2015 is positive amongst all main markets globally as retailers anticipate another year of growing consumer demand. Global demand for diamond jewellery grew by 3% in 2014, and there was continued growth across both mature and quickly developing markets. The medium and long term prospects of the global diamond industry, driven by the burgeoning middle class in major consumer markets, are also exceptionally strong.⁽⁶⁾ Our Directors believe that our Group is well-positioned to take advantage of these positive global trends and the growing market for jewellery.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Notes:

- (1) Source: "MTI Narrows 2015 GDP Growth Forecast to 2.0 to 2.5 Per Cent", 11 August 2015, Ministry of Trade and Industry of Singapore http://www.singstat.gov.sg/docs/default-source/default-document-library/news/press_releases/gdp2q2015.pdf which was accessed on 12 August 2015. The Ministry of Trade and Industry of Singapore has not consented to the inclusion of this statement, information or compilation (as the case may be) for the purposes of Section 249 of the SFA, and are therefore not liable for this statement under Sections 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information have been reproduced in its proper form and context, and the information is extracted accurately and fairly, they have not conducted an independent review, or verified the accuracy of the contents, of the above information.
- (2) Source: "Macroeconomic Review, Volume XIV, Part 1", April 2015, published by the Economic Policy Group, Monetary Authority of Singapore http://www.mas.gov.sg/~media/resource/publications/macro_review/2015/Macroeconomic%20Review_Apr%2015_new which was accessed on 12 August 2015. The Monetary Authority of Singapore has not consented to the inclusion of this statement, information or compilation (as the case may be) for the purposes of Section 249 of the SFA, and are therefore not liable for this statement under Sections 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information have been reproduced in its proper form and context, and the information is extracted accurately and fairly, they have not conducted an independent review, or verified the accuracy of the contents, of the above information.
- (3) Source: "Fewer tourists visiting Singapore in first half of the year, 26 August 2014", Marissa Lee, The Straits Times <http://www.straitstimes.com/singapore/fewer-tourists-visiting-singapore-in-first-half-of-the-year> which was accessed on 12 August 2015. The Straits Times has not consented to the inclusion of this statement, information or compilation (as the case may be) for the purposes of Section 249 of the SFA, and are therefore not liable for this statement under Sections 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information have been reproduced in its proper form and context, and the information is extracted accurately and fairly, they have not conducted an independent review, or verified the accuracy of the contents, of the above information.
- (4) Source: "Global Powers of Luxury Goods 2014", Deloitte, <http://www2.deloitte.com/content/dam/Deloitte/ch/Documents/consumer-business/ch-cb-en-global-powers-of-luxury-goods-2014.pdf> which was accessed on 12 August 2015. Deloitte has not consented to the inclusion of this statement, information or compilation (as the case may be) for the purposes of Section 249 of the SFA, and are therefore not liable for this statement under Sections 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information have been reproduced in its proper form and context, and the information is extracted accurately and fairly, they have not conducted an independent review, or verified the accuracy of the contents, of the above information.
- (5) Source: "Here's why Singapore is a shining beacon in Luxury Asia", Antonio Acunzo, Singapore Business Review <http://sbr.com.sg/economy/commentary/heres-why-singapore-shining-beacon-in-luxury-asia> which was accessed on 12 August 2015. Singapore Business Review has not consented to the inclusion of this statement, information or compilation (as the case may be) for the purposes of Section 249 of the SFA, and are therefore not liable for this statement under Sections 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information have been reproduced in its proper form and context, and the information is extracted accurately and fairly, they have not conducted an independent review, or verified the accuracy of the contents, of the above information.
- (6) Source: "Global Diamond Jewellery Demand up 3% in 2014 to New \$81bn High – 2015 set for further growth across all main consumer markets", De Beers Group of Companies Media Release dated 20 March 2015 [http://www.debeersgroup.com/content/dam/de-beers/corporate/documents/articles/pdf/GLOBAL%20DIAMOND%20JEWELLERY%20DEMAND%20UP%203%25%20IN%202014%20TO%20NEW%20\\$81BN%20HIGH.pdf](http://www.debeersgroup.com/content/dam/de-beers/corporate/documents/articles/pdf/GLOBAL%20DIAMOND%20JEWELLERY%20DEMAND%20UP%203%25%20IN%202014%20TO%20NEW%20$81BN%20HIGH.pdf) which was accessed on 12 August 2015. De Beers Group has not consented to the inclusion of this statement, information or compilation (as the case may be) for the purposes of Section 249 of the SFA, and are therefore not liable for this statement under Sections 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information have been reproduced in its proper form and context, and the information is extracted accurately and fairly, they have not conducted an independent review, or verified the accuracy of the contents, of the above information.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans to drive the future growth and expansion of our business are as follows:

We intend to acquire our retail outlets

We intend to acquire ownership of retail outlets which are currently leased from third parties, subject to, *inter alia*, market conditions and availability, to negate the increasing costs of rental. In this regard, our Directors intend to evaluate the suitability of and potential for acquiring certain existing leased outlets from the owners.

Our Group further aims to optimise our expansion strategies through evaluating and analysing demographic, environmental and competitive factors at potential locations for acquisition. We are focused on increasing our network of outlets in order to maximise our financial performance. We have earmarked S\$3.0 million from the proceeds raised from the Placement for this purpose.

We intend to widen our range of jewellery and casings

In order to keep up with the rapid changes in market trends and consumer preferences, we intend to offer a wider range of jewellery to our global customer base through our Exhibitions. This will further serve to maximise our attendance at these Exhibitions, expand our customer base, increase our brand awareness and enhance our corporate image.

Based on our interaction with key industry players at past Exhibitions and our observations of the trends in the industry, we have identified good demand for quality and affordable ring casings that will play to our competitive advantage of offering good quality for value. Accordingly, we intend to offer more varieties of jewellery and casings as part of our product range at selected Exhibitions in the future. We have earmarked approximately S\$6.0 million of our working capital from the proceeds raised from the Placement for the widening of our range of jewellery.

We intend to expand through acquisitions, joint ventures and/or strategic alliances

In addition to growing organically, we may consider expanding our business through acquisitions, joint ventures or strategic alliances with parties who create synergistic values with our existing businesses.

Through such acquisitions, joint ventures or strategic alliances, we will look to strengthen our market position, expand our network, as well as expand into new businesses complementary to our current business. We believe that our status as a listed company will allow us to be better placed for expansion. Should such opportunities arise, we will seek approval, where necessary, from our Shareholders, Sponsor, the SGX-ST and/or the relevant authorities in accordance with the requirements of the applicable laws and regulations. We have earmarked approximately S\$3.0 million from the proceeds raised from the Placement for our Group's expansion through acquisitions, joint ventures and/or strategic alliances.

ORDER BOOK

We do not have an order book for our business as most of our customers are walk-in individuals at our retail outlets in respect of our Retail Business and booths in respect of our Exhibitions Business. While we do have regular customers and they may purchase in bulk, they do not place orders in advance.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

TREND INFORMATION

Our Directors have observed the following trends for FY2016 based on the revenue and operations of our Group as at the Latest Practicable Date:

- (a) we expect revenue generated from our business to be bolstered by widening our product range and sales from our new retail outlets;
- (b) we expect our operating expenses to increase due mainly to (i) the increase in rental costs as we set up new retail outlets; and (ii) the increase in manpower costs as a result of higher headcount and increments in salaries and wages as we expand our business;
- (c) we expect a growing acceptance of pawnbroking in Singapore. More customers are likely to regard pawning as a viable alternative source of financing to banks. Our Group provides pawnbroking services to consumers in a modern, professional and customer-centric manner where trust, transparency and reliability are the hallmarks of our service; and
- (d) we expect our financial results and financial position in FY2016 to be affected by the on-going compliance cost of a listed company, as well as the expense of a portion of our listing expenses in our financial statements, incurred in connection with the Placement. Please refer to the section entitled "Use of Proceeds from the Placement and Expenses Incurred" of this Offer Document.

Save as discussed above and under the section entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position", "Prospects, Business Strategies and Future Plans" of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any significant known trends in production, sales and inventory and in the cost and selling price of products and services as well as other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of its interested persons (namely, our Directors or Controlling Shareholders or the Associates of such persons) would constitute interested person transactions as defined under Chapter 9 of the Catalist Rules. Details of interested person transactions for the Period Under Review and the period from 31 March 2015 to the Latest Practicable Date (the “**Relevant Period**”) are discussed below.

Save as disclosed below and in the sections entitled “Restructuring Exercise” and “General Information on Our Group – Business Acquisition” of this Offer Document, our Group does not have any other material transactions with any of its interested persons during the Relevant Period.

INTERESTED PERSONS

Interested Person	Relationship with our Group
Michael Teo	Managing Director
Ang Kah Leong	Executive Director
Taka Gold	Associate of Michael Teo and Ang Kah Leong

PAST INTERESTED PERSON TRANSACTIONS

Transactions entered into between Taka Singapore and Taka Gold, Taka Dubai and Taka HK

Taka Singapore sold jewellery to each of Taka Gold, Taka Dubai and Taka HK during the Relevant Period, details of which are as follows:

Sale of jewellery (S\$'000)	FY2013	FY2014	FY2015	1 April 2015 up to the Latest Practicable Date
Taka Gold	111,111	98,950	–	–
Taka Dubai	1,749	3,278	–	–
Taka HK	4,040	4,558	–	–

In addition, Taka Singapore purchased jewellery from Taka Gold during the Relevant Period, details of which are as follows:

Purchase of jewellery (S\$'000)	FY2013	FY2014	FY2015	1 April 2015 up to the Latest Practicable Date
Taka Gold	1,088	910	–	–

Our Directors are of the view that the transactions disclosed in the tables above were conducted on an arm’s length basis and were on normal commercial terms having regard that the jewellery sold by Taka Singapore to each of Taka Gold, Taka Dubai and Taka HK were sold on a discounted basis due to their purchases being made in bulk. The purchase of jewellery by Taka Singapore from Taka Gold was at the prevailing market rate.

Further to the Business Acquisition, we acquired the retail and wholesale business of Taka Gold, including acquiring the Target Shares of each of Taka Dubai and Taka HK, and Taka Dubai and Taka HK became subsidiaries of our Group. As such, after the completion of the Business Acquisition, sales and purchase to/from Taka Singapore and each of Taka Gold, Taka Dubai and Taka HK are no longer considered interested persons transactions. Please refer to the section entitled “General Information on our Group – Business Acquisition” of this Offer Document for more information.

INTERESTED PERSON TRANSACTIONS

Provision of a corporate guarantee by Taka Gold to our Group

Taka Gold had provided a corporate guarantee (“**Corporate Guarantee**”) to secure the following banking and property loan facilities for our Group, the details of which are set out in the table below:

Taka Singapore

(S\$'000)	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	Largest amount outstanding for the Relevant Period	Amount outstanding as at the Latest Practicable Date
Details of Guarantee					
Joint and several guarantee in respect of banking facilities of bills payable, revolving loans and term loans granted by HSBC	4,350	4,227	2,616	4,350	–

The abovementioned Corporate Guarantee has been discharged since 8 May 2015. Our Directors are of the view that the provision of the Corporate Guarantee by Taka Gold was not conducted on an arm’s length basis or on normal commercial terms as no fee or compensation was paid by our Group to Taka Gold for the provision of the Corporate Guarantee. Nonetheless, the provision of the Corporate Guarantee by Taka Gold was beneficial to our Group and was not prejudicial to the interests of our Group or the minority Shareholders of our Group. Our Group does not intend to enter into such transactions following the Listing.

Loans from Michael Teo and Ang Kah Leong to our Group

Mr Michael Teo and Mr Ang Kah Leong had each during the Relevant Period extended loans to our Group for the purposes of working capital. The loans were unsecured, bearing interest at 12% per annum. Our Directors are of the view that the provision of such loans by Mr Michael Teo and Mr Ang Kah Leong were not on an arm’s length basis and were not on normal commercial terms.

Details of the aggregate amounts owing from our Group to Mr Michael Teo and Mr Ang Kah Leong for the Relevant Period are as follows:

(S\$'000)	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	Largest Amount Outstanding for the Relevant Period	Amount Outstanding as at the Latest Practicable Date
Details of loans					
Loan from Mr Michael Teo	550	–	–	550	–
Loan from Mr Ang Kah Leong	1,020	–	–	1,020	–

The amounts owing to Mr Michael Teo and Mr Ang Kah Leong were fully re-paid in FY2014 and our Group does not intend to enter into such transactions following the Listing.

INTERESTED PERSON TRANSACTIONS

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Provision of bank guarantees by Taka Gold, Mr Michael Teo and Mr Ang Kah Leong to our Group

Taka Gold, Mr Michael Teo and Mr Ang Kah Leong (the “**Bank Guarantors**”) have jointly and severally provided bank guarantees (the “**Bank Guarantees**”) to secure the following banking facilities for our Group. As at the Latest Practicable Date, the Bank Guarantees provided by Taka Gold have been discharged. The details of the Bank Guarantees are set out in the table below:

(S\$'000)	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	Largest amount outstanding for the Relevant Period	Amount outstanding as at the Latest Practicable Date
Details of the Bank Guarantees					
Joint and several guarantees in respect of bank facilities granted by SCB	3,780	2,798	2,663	3,780	2,281 ⁽¹⁾
Joint and several guarantees in respect of bank facilities granted by ANZ	–	600	3,571	3,571	2,860 ⁽²⁾
Joint and several guarantees in respect of bank facilities granted by CIMB	–	–	2,068	2,068	2,420 ⁽³⁾

Notes:

- (1) The Bank Guarantee provided by Taka Gold to secure banking facilities granted by SCB has been discharged since 10 July 2015.
- (2) The Bank Guarantee provided by Taka Gold to secure banking facilities granted by ANZ has been discharged since 3 August 2015.
- (3) The Bank Guarantee provided by Taka Gold to secure banking facilities granted by CIMB has been discharged since 5 August 2015.

As no consideration was paid to the Bank Guarantors for the provision of the Bank Guarantees, such transactions were not conducted on an arm’s length basis and were not conducted on normal commercial terms.

Subsequent to the listing of our Shares on Catalist, our Company and/or the Bank Guarantors intend to request for the respective banks to release and/or discharge the Bank Guarantees by substituting or replacing the same with corporate guarantees granted by our Company. Should the terms and conditions of the existing facilities be affected by the withdrawal of the Bank Guarantees, we are confident that after the listing of our Shares on Catalist, we should be able to secure alternative bank facilities on terms similar to those applicable to the existing facilities. In the event the banks do not agree to release the Bank Guarantors from the Bank Guarantees and we are unable to secure alternative bank facilities on similar terms, the Bank Guarantors will continue to provide the Bank Guarantees, until such time when we are able to secure alternative facilities from other financial institutions.

INTERESTED PERSON TRANSACTIONS

Provision of guarantees by Mr Michael Teo and Mr Ang Kah Leong to our Group

Mr Michael Teo and Mr Ang Kah Leong have jointly and severally provided personal guarantees to secure the following banking and property loan facilities for our Group, the details of which are set out below:

Taka Singapore

(S\$'000)	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	Largest amount outstanding for the Relevant Period	Amount outstanding as at the Latest Practicable Date
Joint and several guarantee in respect of banking facilities granted by HSBC	4,959	5,408	3,719	5,408	7,843
Joint and several guarantee in respect of bank facilities granted by DBS	3,285	3,390	3,866	3,866	4,343

TCPL

(S\$'000)	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	Largest amount outstanding for the Relevant Period	Amount outstanding as at the Latest Practicable Date
Joint and several guarantee in respect of banking facilities granted by DBS	–	–	1,550	1,550	1,920

As no consideration was paid to Mr Michael Teo and Mr Ang Kah Leong for the provision of such personal guarantees, such transactions were not conducted on an arm's length basis and were not conducted on normal commercial terms.

Subsequent to the listing of our Shares on Catalist, our Company and/or Mr Michael Teo and Mr Ang Kah Leong intend to request the respective banks to release and/or discharge the abovementioned personal guarantees by substituting or replacing the same with corporate guarantees granted by our Company. Should the terms and conditions of the existing facilities be affected by the withdrawal of the abovementioned guarantees, we are confident that after the listing of our Shares on Catalist, we should be able to secure alternative bank facilities on terms similar to those applicable to the existing facilities. In the event the banks do not agree to release Mr Michael Teo and Mr Ang Kah Leong from the abovementioned personal guarantees and we are unable to secure alternative bank facilities on similar terms, Mr Michael Teo and Mr Ang Kah Leong will continue to provide the abovementioned personal guarantees, until such time when we are able to secure alternative facilities from other financial institutions.

INTERESTED PERSON TRANSACTIONS

GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that future transactions with interested persons (as defined under Chapter 9 of the Catalist Rules) are undertaken on normal commercial terms and are consistent with our Group's usual business practices, which are generally no more favourable than those extended to unrelated third parties, the following procedures will be implemented by our Group:

- (i) when purchasing items from or engaging the services of interested persons, the prices and terms of at least two (2) other comparative offers (where appropriate) from unrelated third parties will be used as comparison wherever possible. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) comparative offers (where appropriate) from unrelated third parties. In determining the most competitive price or fee, all pertinent factors, including but not limited to quantity, quality, delivery time and track record will be taken into consideration;
- (ii) when selling items or providing services to interested persons, the prices and terms of at least two (2) other completed transactions of similar nature and size to unrelated third parties are to be used as comparison wherever possible. The sale price or fee for the supply of services shall not be lower than the lowest sale price or fee of the other two (2) completed transactions to unrelated third parties;
- (iii) when leasing property from or to interested persons, our Directors shall take appropriate steps to ensure that the amount of rent for such lease is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of properties of similar location and size, or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where appropriate). The rent payable shall be based on the most competitive market rate of similar properties in terms of size and location, based on the results of the relevant enquiries; and
- (iv) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products and/or services may be purchased only from an interested person, the interested person transaction will be approved by our Audit Committee, in accordance with our Group's usual business practices and policies. In determining the transaction price payable to the interested person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account.

All interested person transactions above S\$100,000 are to be approved by a Director who shall not be an interested person in respect of the particular transaction. Any contract to be made with an interested person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated parties and the terms are not more favourable to the interested person than those extended to or received from unrelated parties. For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between us and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested person are not more favourable than those extended to unrelated third parties.

INTERESTED PERSON TRANSACTIONS

In addition, we shall monitor all interested person transactions entered into by us by categorising the transactions as follows:

- (i) a “Category 1” interested person transaction is one where the value thereof is in excess of 3.0% of the NTA of our Group based on the latest accounts; and
- (ii) a “Category 2” interested person transaction is one where the value thereof is below or equal to 3.0% of the NTA of our Group based on the latest accounts.

“Category 1” interested person transactions must be reviewed and approved by our Audit Committee prior to entry. “Category 2” interested person transactions need not be approved by the Audit Committee prior to entry but must be approved by the Group Financial Controller prior to entry and must be reviewed on a half-yearly basis by our Audit Committee. In its review, our Audit Committee will ensure that all future interested person transactions are conducted on normal commercial terms and are not prejudicial to the interests of our Company and its minority Shareholders.

In respect of all interested person transactions, we shall adopt the following policies:

- (i) Our Audit Committee will review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with.
- (ii) In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from deliberating on reviewing and/or approving that particular transaction.
- (iii) We shall maintain a register to record all interested person transactions which are entered into by our Group (“**Register**”), including any quotations obtained from unrelated parties to support the terms of the interested person transactions.
- (iv) We shall incorporate into our internal audit plan a review of all interested person transactions entered into by our Group.
- (v) Our Audit Committee shall review the internal audit reports at least on an annual basis to ensure that all interested person transactions are carried out on an arm’s length basis and in accordance with the procedures outlined above. Furthermore, if during these periodic reviews, our Audit Committee believes that the guidelines and procedures as stated above are not sufficient to ensure that the interests of minority Shareholders are not prejudiced, we will adopt new guidelines and procedures. The Audit Committee may request for an independent financial adviser’s opinion as it deems fit.

In addition, we are subject to the rules prescribed in the Catalist Rules. As such, we will also comply with the provisions in Chapter 9 of the Catalist Rules in respect of all future interested person transactions, and if required under the Catalist Rules, we will seek independent Shareholders’ approval (where necessary) for such transactions.

INTERESTED PERSON TRANSACTIONS

POTENTIAL CONFLICTS OF INTERESTS

Generally, a conflict of interest arises when any of our Directors, Controlling Shareholders or their Associates is carrying on the same business or dealing in similar products as our Group. None of our Directors, Controlling Shareholders or their Associates is carrying on the same business or dealing in similar products as our Group.

We shall impose a limit on each of our Directors, Controlling Shareholders or their Associates to hold personal investments of not more than 5.0% in the quoted securities of: (i) any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group; and (ii) any company that is the customer, principal or other supplier of goods and services of our Group.

Save as disclosed above and in the sections entitled “Interested Person Transactions” and “Restructuring Exercise” of this Offer Document, as well as personal investments (whether directly or through nominees) in quoted securities which may include companies listed on the SGX-ST, none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has had any interest, direct or indirect, in the following:

- (a) any transactions to which our Company was or is to be a party;
- (b) any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group; and
- (c) any company that is our customer, principal or other supplier of goods and services.

INTERESTS OF EXPERTS

No expert is employed on a contingent basis by our Company or any of our subsidiaries; or has a material interest, whether direct or indirect, in our Shares, equity interests or debentures, or the shares, equity interests or debentures of our subsidiaries; or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

INTERESTS OF PPCF, THE ISSUE MANAGER, SPONSOR AND PLACEMENT AGENT

In the reasonable opinion of our Directors, save as disclosed below, our Company does not have any material relationship with the Issue Manager, Sponsor and Placement Agent, PPCF, in relation to the Placement:

- (a) PPCF is the Issue Manager, Sponsor and Placement Agent of the Listing and the Placement;
- (b) PPCF will be the continuing Sponsor of our Company for a period of at least three (3) years from the date our Company is admitted and listed on Catalist; and
- (c) Pursuant to the Management Agreement and as part of PPCF’s professional fees as the Issue Manager and Sponsor, our Company will issue and allot 1,591,000 PPCF Shares to PPCF. At the completion of the relevant moratorium period as set out in the section entitled “Shareholders – Moratorium” of this Offer Document, PPCF will be disposing its shareholding interest in our Company at its discretion.

DIRECTORS, MANAGEMENT AND STAFF

DIRECTORS

The Board of Directors is entrusted with the responsibility for the overall management of our Group. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Designation in our Company	Address
Goh Yeow Tin	64	Non-Executive Chairman and Independent Director	c/o 3 Kaki Bukit Place Eunos Techpark Singapore 416181
Michael Teo	61	Managing Director	c/o 3 Kaki Bukit Place Eunos Techpark Singapore 416181
Ang Kah Leong	54	Executive Director	c/o 3 Kaki Bukit Place Eunos Techpark Singapore 416181
Lu King Seng	45	Independent Director	c/o 3 Kaki Bukit Place Eunos Techpark Singapore 416181
Chua Kern	44	Independent Director	c/o 3 Kaki Bukit Place Eunos Techpark Singapore 416181

Information on our Directors' career and academic history, business experience and general areas of responsibility within our Group are set out below:

Goh Yeow Tin is our Non-Executive Chairman and Independent Director and was appointed to our Board on 21 August 2015. He is currently the non-executive chairman of Seacare Medical Holdings Pte. Ltd. Mr Goh Yeow Tin is also an independent director of Singapore Post Limited, Sheng Siong Group Ltd., and Vicom Ltd, all of which are companies listed on the Main Board of the SGX-ST. He is also an independent director of Catalist-listed companies AsiaPhos Limited and Lereno Bio-Chem Ltd. He is also a non-executive director of Linknet Asia Pte Ltd, WaterTech Pte. Ltd., Seacare Manpower Services Pte Ltd and Edu Community Pte. Ltd.

He started his career in 1979 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. He served as deputy executive director of the Singapore Manufacturers’ Association (now known as the Singapore Manufacturers’ Federation) from 1983 to 1984. In 1988, Mr Goh Yeow Tin 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 its deputy managing director until 1990. In 1986, Mr Goh Yeow Tin founded, and served as general manager of, International Franchise Pte Ltd until 1988. Between 1990 and 2000, Mr Goh Yeow Tin served as the vice-president of Times Publishing Limited, and was responsible for retail and distribution businesses in Singapore, Hong Kong and various parts of South-east Asia. From 2001 to 2011, Mr Goh Yeow Tin was the CEO of Sino-Sing Center Pte. Ltd., where he was involved in the operation of pre-school and primary school educational and training programmes in the PRC.

DIRECTORS, MANAGEMENT AND STAFF

In recognition of his many years of social and community services, he was awarded the Public Service Medal and the Public Service Star by the President of the Republic of Singapore in 1998 and 2006 respectively. Mr Goh Yeow Tin is also a member of the Singapore Institute of Directors. He 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 Engineering from the Asian Institute of Technology.

Michael Teo is our Managing Director and co-founder of our Group. He has been our Managing Director since 1997 and together with our Executive Director, Mr Ang Kah Leong, sets the overall strategic and expansion plans of our Group. In particular, he oversees the business development, procurement and the overseas operations of our Group and is instrumental in maintaining our working relationships with our suppliers and customers. He has been instrumental in our Group's growth, leading the expansion of our business and operations.

Mr Michael 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 in Je T'aime Jewellery Design & Manufacturing Centre (Pte) Limited (now known as Je T'aime Jewellery Design & Mfg Centre Pte Ltd) and subsequently established Precieux Blanc Jewellery Design & Manufacturing Centre, a manufacturer of jewellery. He served as director at Le-Femme Jewellers (Pte) Ltd from 1984 to 1986, which was in the business of retail of jewellery and provided customisation and alteration services for jewellery. Prior to establishing our Group in 1997, he was also a director of Kinshisan Trading Pte Ltd, a company which provided services for plywood lamination.

Ang Kah Leong is our Executive Director and co-founder of our Group. He has been our Executive Director since 1997 and together with our Managing Director, Mr Michael Teo, sets the overall strategic and expansion plans of our Group. In particular, he oversees the day-to-day operations, business development and management of our Group's business in Singapore. He has been instrumental in our Group's growth, leading the expansion of our business and operations.

Mr Ang Kah Leong has over 30 years of experience in the jewellery industry, having started out as a freelance craftsman. Prior to establishing our Group in 1997, Mr Ang Kah Leong established a sole proprietorship under the name of Blue Diamonds Jewellery in 1992 which was engaged in the business of wholesale of jewellery.

Lu King Seng is our Independent Director and was appointed to our Board on 21 August 2015. Mr Lu King Seng has more than 20 years of commercial and audit experience in London, Singapore and Malaysia. He is currently the managing director of Orion Advisory Pte. Ltd. and Orion Business Advisory Pte. Ltd. He is also currently serving as an independent director of Geo Energy Resources Limited and Green Build Technology Limited (formerly known as Youyue International Limited), both listed on the Main Board of the SGX-ST. From 2005 to 2013, Mr Lu King Seng was the chief financial officer in SinCo Technologies Pte Ltd and SinCo Group Holdings Pte. Ltd., and he oversaw the accounting, treasury, legal and finance matters including group restructurings and mergers and acquisitions.

Mr Lu King Seng commenced his career as an audit assistant at Rubin Winter & Co (London) in 1995, and was promoted to an audit semi senior in 1996. He subsequently joined PriceWaterHouse (Malaysia) in 1998 as an audit senior, and then KPMG (Singapore) as an audit supervisor. In 2000, he joined Arthur Andersen (which was subsequently merged with Ernst and Young (Singapore) in 2002) as an audit senior and was promoted to become audit manager in

DIRECTORS, MANAGEMENT AND STAFF

2001. From 2002 to 2004, he joined Deloitte & Touche (Singapore) as an audit manager and was responsible for the audits of listed companies, multinational corporations and small and medium-sized enterprises from the technology, engineering and manufacturing industries.

Mr Lu King Seng is a fellow member of the Association of Certified Chartered Accountants, as well as a non-practising member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors. Mr Lu King Seng graduated from the Emile Woolf College of Accountancy in London, United Kingdom and obtained a professional qualification from the Association of Certified Chartered Accountants in 1995.

Chua Kern is our Independent Director and was appointed to our Board on 21 August 2015. He is currently a director in Chancery Law Corporation, having co-founded the firm in 2005. Mr Chua Kern has more than 16 years of experience in the legal industry and his practice focuses on the areas of corporate finance, securities and capital markets and mergers and acquisitions. Mr Chua Kern also advises companies listed on the Main Board of the SGX-ST and on Catalist in respect of their corporate finance activities and other major corporate actions. He has previously worked in Messrs Colin Ng & Partners LLP, Messrs KhattarWong LLP and Messrs Peter Chua & Partners.

Mr Chua Kern was admitted to the Supreme Court of Singapore as an Advocate and Solicitor in 1997. He obtained a Bachelor of Laws (Hons) 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.

All our Directors possess relevant experience and expertise to act as directors of a listed company as evidenced by their business and working experience set out above. In addition, each of Mr Michael Teo, Mr Ang Kah Leong and Mr Chua Kern has attended the Listed Company Director Programme entitled “Listed Company Director Essentials – Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know” conducted by the Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a publicly listed company in Singapore. Each of Mr Goh Yeow Tin and Mr Lu King Seng has prior experience as a director of a listed company in Singapore.

None of our Independent Directors sit on the board of our subsidiaries. Save as disclosed below and the directorship held in our Company, none of our Directors currently holds or has held directorships in the past five (5) years preceding the date of this Offer Document:

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
Goh Yeow Tin	<u>Group Companies</u> – <u>Other Companies</u> Singapore Post Limited Sheng Siong Group Ltd. Vicom Ltd AsiaPhos Limited Lereno Bio-Chem Ltd. Seacare Medical Holdings Pte. Ltd. Seacare Manpower Services Pte Ltd Linknet Asia Pte Ltd Edu Community Pte. Ltd. WaterTech Pte. Ltd. Kiran Electronic B & C Services Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> Juken Technology Limited OEL (Holdings) Limited Sino-Sing Center Pte. Ltd. ⁽¹⁾ International Education Development Centre Pte. Ltd. ⁽²⁾ Sinnet Education Pte. Ltd. ⁽³⁾ Lereno BC (Singapore) Pte. Ltd. ⁽⁴⁾ Scientific & Digital Forensic Services and Corporate Investigations Pte. Ltd. ⁽⁵⁾
Michael Teo	<u>Group Companies</u> Taka Singapore Voi Lovis TCPL TCJPL Taka HK Taka Dubai Globe Diamonds <u>Other Companies</u> Taka Gold Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> –
Ang Kah Leong	<u>Group Companies</u> Taka Singapore Voi Lovis TCPL TCJPL Taka HK Taka Dubai Taka Malaysia <u>Other Companies</u> Taka Gold Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> –

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
Lu King Seng	<u>Group Companies</u> – <u>Other Companies</u> Orion Advisory Pte. Ltd. Orion Business Advisory Pte. Ltd. Golden Union Advisory Pte. Ltd. Geo Energy Resources Limited Green Build Technology Limited	<u>Group Companies</u> – <u>Other Companies</u> SinCo Technologies Pte Ltd Swiftronic Pte Ltd Swiftronic Holding Pte. Ltd. Seals Investment Holdings Pte. Ltd. ⁽⁶⁾ Startech Moulding Technologies Pte. Ltd. ⁽⁷⁾ SynTech Control Systems Pte. Ltd. ⁽⁸⁾ SinCoat Pte. Ltd. ⁽⁹⁾ SinCo Tianjin Co., Ltd SinCo Tooling Technologies Sdn Bhd SynTech (Tianjin) Co., Ltd SY Tech (Tianjin) Co., Ltd
Chua Kern	<u>Group Companies</u> – <u>Other Companies</u> Chancery Law Corporation Chancery Corporate Solutions Private Limited Lion Trust (Singapore) Limited Lion Group Holdings Private Limited LionTrust Corporate Services Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> Tai Ko Investment Pte. Ltd. ⁽¹⁰⁾

Notes:

- (1) Struck off as at 6 September 2012.
- (2) Struck off as at 8 December 2010.
- (3) Struck off as at 9 May 2012.
- (4) Struck off as at 8 March 2011.
- (5) Struck off as at 8 December 2010.
- (6) Wound up on 2 July 2014.
- (7) Struck off as at 4 November 2010.
- (8) Struck off as at 5 July 2012.
- (9) Struck off as at 7 February 2013.
- (10) Struck off as at 8 April 2013.

DIRECTORS, MANAGEMENT AND STAFF

EXECUTIVE OFFICERS

The particulars of our Executive Officers are detailed below:

Name	Age	Designation in our Company	Address
Irene Ng	57	General Manager (Exhibitions)	c/o 3 Kaki Bukit Place Eunos Techpark Singapore 416181
Julia Tan	36	General Manager (Local)	c/o 3 Kaki Bukit Place Eunos Techpark Singapore 416181
Kit Ng	45	Group Financial Controller	c/o 3 Kaki Bukit Place Eunos Techpark Singapore 416181

Information on our Executive Officers' career and academic history, business experience and general areas of responsibility within our Group are set out below:

Irene Ng joined our Group in 2014 from Taka Gold, which she had joined in 2001, and is currently our General Manager (Exhibitions). Ms Irene Ng is in charge of our Group's participation in Exhibitions, and has been instrumental in building up Taka Gold's exhibitions business, which was acquired by our Group pursuant to the Business Acquisition in 2014. She establishes and maintains relationships with our international customers at the Exhibitions, assists in the procurement process, and spearheads the sales and marketing team for our Exhibitions Business.

She has more than 30 years of experience in the jewellery business, having started out as a sales executive in Colombo Jewellery Pte Ltd. Prior to joining Taka Gold in 2001, she was the sales manager at First Jewellery Pte Ltd and was responsible for the purchasing and operating functions of a retail outlet. At Taka Gold, she helped to build up the exhibitions business from its humble beginnings in 2003, and Taka Gold came to become a well regarded and sought-after exhibitor at many Exhibitions.

Ms Irene Ng attended and completed her secondary education in Mount Vernon Secondary School from 1970 to 1973.

Julia Tan joined our Group in 2001 and is currently our General Manager (Local). Ms Julia Tan assists our Managing Director and Executive Director in our Group's day-to-day operations, and oversees the human resource and administration, logistics and warehousing, and sales and marketing departments of our Group in relation to our Retail Business. She is responsible for, *inter alia*, devising marketing proposals and protocols, and organising sales events and promotions for our Retail Business.

She has been instrumental in building up our Group's jewellery business in her 14 years with our Group and in establishing our Group's pawnshop business. Prior to joining our Group, she was previously a sales executive at Toshiba Data Dynamics Pte Ltd.

Ms Julia Tan graduated with a Bachelor of Commerce (major in Business Administration, Marketing and Human Resource) from the University of Tasmania, Australia in 2002.

DIRECTORS, MANAGEMENT AND STAFF

Kit Ng joined our Group as Group Financial Controller in October 2014. As our Group Financial Controller, he is responsible for overseeing the financial and accounting management and reporting functions of our Group.

Mr Kit Ng commenced his career in 1992 as an accounts clerk in International Building Products Pte Ltd and was subsequently an audit assistant at Messrs Tan Choon Chye & Co from 1994 to 1996. Between 1996 and 2002, he was an audit assistant and subsequently audit manager in Ernst & Young LLP, Singapore. Between 2002 and 2004, he was the group finance manager of SP Corporation Limited, a company listed on the SGX-ST and in the businesses of commodities trading and tyres distribution. In 2004, he was audit manager and subsequently promoted to senior audit manager in KPMG LLP, Singapore, and at KPMG Huazhen, Beijing. Between 2009 and 2011, he was chief financial controller at Neijiang Chuanwei Special Steel Corporation Limited, a subsidiary of SGX-listed Sapphire Corporation Limited, and thereafter in 2011 joined as chief financial controller of Sapphire Corporation Limited, which is principally engaged in the mining services business.

Mr Kit Ng obtained his Certificate of Business Studies (Accounting) from the National Institute of Commerce in 1990 and obtained accreditation in Cost and Management Accounting from the London Chamber of Commerce and Industry (LCCI) in the same year. He is a Chartered Certified Accountant under the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Singapore Chartered Accountants (ISCA).

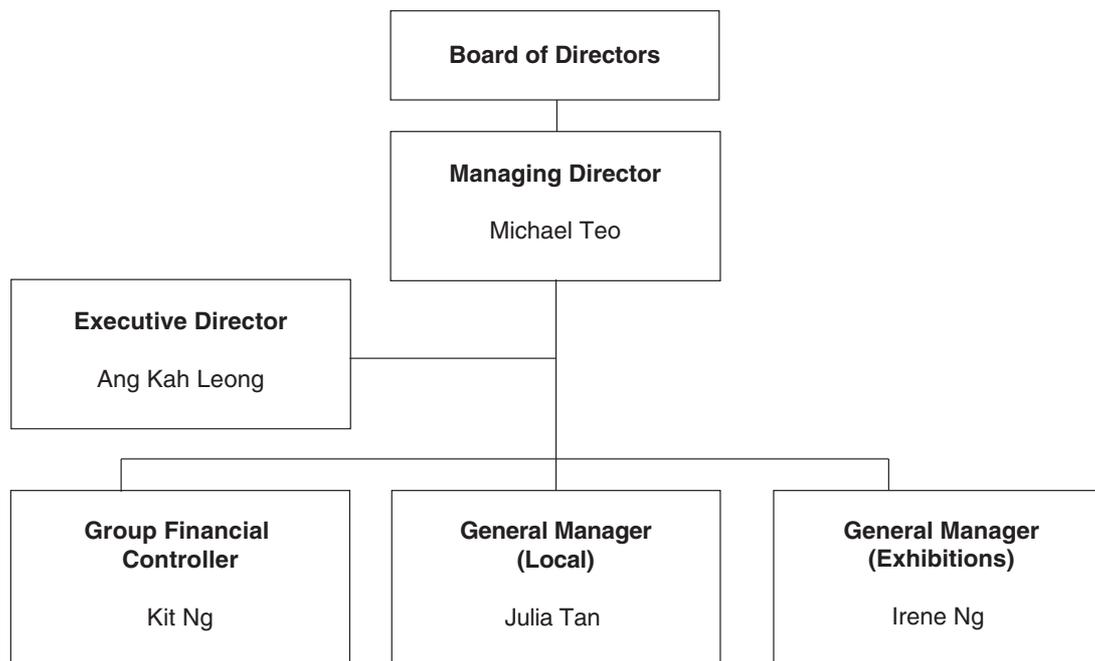
Save as disclosed below, none of our Executive Officers currently holds or has held directorships in the past five (5) years preceding the date of this Offer Document:

Name	Present Directorships	Past Directorships
Kit Ng	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> Neijiang Chuanwei Special Steel Corporation Limited Mancala Holdings Pty Ltd Sichuan Longwei Metal Products Co., Ltd

Save as disclosed in this section, none of our Directors or Executive Officers has any family relationship with one another or with our Controlling Shareholders and Substantial Shareholders.

DIRECTORS, MANAGEMENT AND STAFF

MANAGEMENT REPORTING STRUCTURE



REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

Directors and Executive Officers

The remuneration paid to our Directors and Executive Officers (which includes benefits-in-kind, long service benefits and bonuses) for services rendered to us on an aggregate basis and in remuneration bands of S\$250,000 during FY2014 and FY2015 (being the two (2) most recent completed financial years) and as estimated for FY2016, excluding bonuses under any profit-sharing plan or any other profit-linked agreement(s), is as follows:

	FY2014	FY2015	FY2016
<u>Directors</u>			
Goh Yeow Tin	N.A.	N.A.	Band A
Michael Teo	Band C	Band E	Band D
Ang Kah Leong	Band B	Band C	Band C
Lu King Seng	N.A.	N.A.	Band A
Chua Kern	N.A.	N.A.	Band A
<u>Executive Officers</u>			
Irene Ng	N.A.	Band B	Band B
Julia Tan	Band A	Band A	Band A
Kit Ng	N.A.	Band A	Band B

DIRECTORS, MANAGEMENT AND STAFF

Note:

(1) Remuneration bands:

“Band A” refers to remuneration of up to S\$250,000 per annum.

“Band B” refers to remuneration from S\$250,001 to S\$500,000 per annum.

“Band C” refers to remuneration from S\$500,001 to S\$750,000 per annum.

“Band D” refers to remuneration from S\$750,001 to S\$1,000,000 per annum.

“Band E” refers to remuneration from S\$1,000,001 to S\$1,250,000 per annum.

Related Employees

As at the Latest Practicable Date, there were two (2) employees who are related to our Directors, Controlling Shareholders and Substantial Shareholders, and their particulars are set out below:

Name	Title	Relationship with our Directors Controlling Shareholders and or Substantial Shareholders
Macvis Teo	Business Manager	Daughter of Michael Teo
Teo Sze Hui, Wennie	Business Development Executive	Niece of Michael Teo

Save as disclosed above, there was no remuneration paid to employees for FY2014 and FY2015, who are related to our Directors, Controlling Shareholders or Substantial Shareholders.

The aggregate remuneration, which included salary, bonus, contributions to mandatory provident fund scheme/employees provident fund and benefits-in-kind, was less than S\$250,000 for each of FY2014 and FY2015.

The remuneration of Ms Macvis Teo and Ms Teo Sze Hui, Wennie are determined on the same basis as those of unrelated employees, and shall be reviewed annually by our Remuneration Committee to ensure their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonus, pay increases and/or promotions for these employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of employees who are related to or are associates of our Directors, Controlling Shareholders or Substantial Shareholders and the proposed terms of their employment will also be subject to the review and approval of our Nominating Committee. In the event that a member of our Remuneration Committee or Nominating Committee is related to the employee under review, he will abstain from the review.

EMPLOYEES

As at the Latest Practicable Date, we have 168 full-time employees. We have not experienced any significant seasonal fluctuations in our number of employees.

DIRECTORS, MANAGEMENT AND STAFF

The number of employees of our Group as at the end of each of FY2013, FY2014 and FY2015, segmented by primary functions is as follows:

Function	Number of employees		
	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Management	4	4	5
Business development	–	–	16
Retail	–	–	94
Inventory management	8	8	24
Marketing	–	–	5
Human resources & administration	5	5	12
Finance	5	5	9
Total	22	22	165

The increase in number of employees between 31 March 2014 and 31 March 2015 was due to the employees from Taka Gold that our Group had employed pursuant to the Business Acquisition. Save for the foregoing, we do not experience any significant seasonal fluctuations in our number of employees.

We hire full-time general workers from time to time on a contract basis as may be required. We do not employ a significant number of temporary workers on a regular basis.

None of our employees are unionised. There has not been any incidence of work stoppages or labour disputes that affected our operations. Accordingly, we consider our relationship with our employees to be good.

SERVICE AGREEMENTS

On 21 August 2015, our Company entered into separate service agreements (collectively, the “**Service Agreements**” and individually, the “**Service Agreement**”) with Mr Michael Teo and Mr Ang Kah Leong (collectively, the “**Executives**” and individually, the “**Executive**”).

Each Service Agreement will continue for an initial period of three (3) years and upon the expiry of such period, and either party may terminate the Service Agreement by giving to the other party not less than six (6) months’ written notice provided that during the initial period, the Executive shall not be entitled to terminate the Service Agreement without prior consent of our Board.

The employment of each Executive shall be automatically renewed on the same terms herein upon expiry thereof unless either of the parties hereto notifies the other party by giving six (6) months written notice prior to the expiry thereof, of its intention not to renew the employment. For the avoidance of doubt, the employment renewed on different terms as provided herein upon expiry shall not constitute termination of the employment. Any such variation of the terms herein shall be subject to the approval of our Board, our Remuneration Committee, our Nominating Committee and/or (if necessary) our Shareholders.

DIRECTORS, MANAGEMENT AND STAFF

Notwithstanding the other provisions of the Service Agreement, our Company shall be entitled to terminate the appointment, but without prejudice to the rights and remedies of our Company for any breach of the Service Agreement and to the Executive's continuing obligations under the Service Agreement, in any of the following cases:

- (a) if the Executive becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (b) if the Executive is convicted of any criminal offence (save for an offence under any road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment) and sentenced to any term of immediate or suspended imprisonment or has any judgement, including findings, in relation to fraud, misrepresentation or dishonesty, given against him, whether or not, in connection with or referable to his employment;
- (c) if the Executive is or may be suffering from a mental disorder;
- (d) if the Executive becomes prohibited by law or any order from any regulatory body or governmental authority from being, or ceases to be, an employee or director of our Company for any reason whatsoever;
- (e) if the Executive ceases to hold the office of director pursuant to our Company's Articles or is disqualified from holding the office of or acting as, a director of any company pursuant to any applicable law, for whatever reason, or our Company is required or requested by any authority (whether governmental or statutory) to terminate the services of the Executive;
- (f) if the Executive commits any act of criminal breach of trust or dishonesty;
- (g) if the Executive, in the reasonable opinion of our Board, becomes guilty of any wilful misconduct in the discharge of his duties; or
- (h) if the Executive, in the reasonable opinion of our Board, breaches any material provision under the Service Agreement.

The Service Agreements provide for, *inter alia*, the salary payable to the Executives, annual leave, medical benefits, grounds of termination and certain restrictive covenants (including non-compete obligation).

Pursuant to the terms of the respective Service Agreements, the monthly salary of the respective Executives will be as set out below. In addition, each of the Executives is also entitled to receive an annual incentive bonus of a sum calculated based on the audited profit before tax of our Company subject to the terms and conditions in the Service Agreements. The remuneration of the Executives is subject to review by our Board and our Remuneration Committee at the end of each financial year of our Company. The relevant Executive shall abstain from voting in respect of any resolution or decision to be made by our Board in relation to the terms and renewal of his or her Service Agreement.

Monthly salary	S\$
Michael Teo	40,000
Ang Kah Leong	30,000

DIRECTORS, MANAGEMENT AND STAFF

In addition, under the Service Agreements, each Executive is entitled to an incentive bonus (“**Incentive Bonus**”) based on the PBT for any financial year, calculated as follows:

Rate of Incentive Bonus payable as a percentage of PBT		
PBT	Michael Teo	Ang Kah Leong
(i) Where PBT equals to or exceeds S\$7 million but does not exceed S\$10 million	1.25%	0.75%
(ii) Where PBT exceeds S\$10 million but does not exceed S\$15 million	3.25%	1.75%
(iii) Where PBT exceeds S\$15 million but does not exceed S\$20 million	5.00%	2.50%
(iv) Where PBT exceeds S\$20 million	6.00%	3.00%

Save as disclosed above, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors, Executive Officers or employees. The Executives shall not be entitled to further Directors’ fees under the Service Agreements.

Subject to the approvals of the Shareholders, the SGX-ST and other regulatory authorities, where necessary, the Executives shall be eligible to participate in any other employee scheme or plan implemented by our Company on such terms as may be determined by our Remuneration Committee at its sole and absolute discretion.

Pursuant to their respective Service Agreements, each Executive shall not, at any time during the employment with our Company and until 12 months after the termination of his employment, be engaged or interested in any capacity in any business similar to or competing with the business of our Group; solicit any person or corporation who is or has been at any time a customer of our Group, or has business dealings with our Group or is in commercial negotiations with our Group with a view to placing business with our Group; or solicit any employee of any company within our Group for the employment of himself, any other person or any other company, other than the companies within our Group.

Each of the Executives shall keep secret and shall not at any time (whether during the appointment or after the termination of the appointment for whatever reason) use for his or her own or another’s advantage, business methods or information which the Executive knew or ought reasonably to have known to be confidential concerning the business or affairs of our Company or any member of our Company so far as they shall have come to his or her knowledge during the appointment.

Save as disclosed above, there are no other existing or proposed service contracts entered into or to be entered into between our Company and our subsidiaries with any of our Directors or Executive Officers. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders.

Our Board has formed three (3) committees: (i) the Nominating Committee; (ii) the Remuneration Committee; and (iii) the Audit Committee.

Nominating Committee

Our Nominating Committee comprises Mr Chua Kern, Mr Goh Yeow Tin and Mr Lu King Seng. The Chairman of the Nominating Committee is Mr Chua Kern.

Our Nominating Committee will be responsible for:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Director's contribution and performance;
- (b) determining on an annual basis whether or not a Director is independent;
- (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director; and
- (d) reviewing and approving any new employment of related persons and the proposed terms of their employment.

Our Nominating Committee will decide how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term shareholders' value. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Our Nominating Committee, after having:

- (a) noted that Mr Goh Yeow Tin is aware of his responsibilities and obligations owing to each of the companies whom he serves as a director as well as the time commitment and duties required from him given his past experience acting as a director of a listed company;
- (b) considered that Mr Goh Yeow Tin no longer holds full time employment;
- (c) noted his good attendance record and active participation at the respective board and committee meetings of the five (5) other SGX-ST listed companies for which he currently acts as independent director;
- (d) noted that Mr Goh Yeow Tin is serving on the boards of listed companies which have varying financial year ends; and
- (e) noted that with the exception of Vicom Ltd, which has imposed a restriction on Mr Goh Yeow Tin that limits his maximum directorships in other listed companies to six (6), the rest of the boards of the listed companies that he is currently serving on do not have such restrictions,

is of the opinion that Mr Goh Yeow Tin is suitable to be appointed as our Non-Executive Chairman and Independent Director, notwithstanding that he is concurrently serving as an independent director of other listed companies.

CORPORATE GOVERNANCE

Our Sponsor, after considering the opinion of our Nominating Committee as disclosed above, and its interactions with our Non-Executive Chairman and Independent Director, is of the view that Mr Goh Yeow Tin is able to devote sufficient time to our Company to carry out his duty as our Non-Executive Chairman and Independent Director.

Remuneration Committee

Our Remuneration Committee comprises Mr Goh Yeow Tin, Mr Lu King Seng and Mr Chua Kern. The Chairman of our Remuneration Committee is Mr Goh Yeow Tin.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and other benefits-in-kind shall be covered by our Remuneration Committee. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package.

The remuneration of related employees will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

Audit Committee

Our Audit Committee comprises Mr Lu King Seng, Mr Goh Yeow Tin and Mr Chua Kern. The Chairman of our Audit Committee is Mr Lu King Seng.

Our Audit Committee does not have any existing business or professional relationship of a material nature with our Group, Directors, Controlling Shareholders or Substantial Shareholders.

Our Audit Committee will assist our Board in discharging their responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform the following functions:

- (a) consider the appointment or re-appointment of the external auditors, the level of their remuneration and matters relating to resignation or dismissal of the external auditors, and review with the external auditors the audit plans, their evaluation of the system of internal accounting controls, their audit reports, their management letter and our management's response before submission of the results of such review to our Board for approval;

CORPORATE GOVERNANCE

- (b) consider the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the internal auditors, and review with the internal auditors the internal audit plans and their evaluation of the adequacy of our system internal accounting controls and accounting system before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report (where necessary);
- (c) review the system of internal accounting controls and procedures established by management and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (d) review the assistance and co-operation given by our Company's officers to the internal and external auditors;
- (e) review the half yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major areas of judgement, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and consider the adequacy of our management's response;
- (g) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (h) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- (i) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures;
- (j) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or the findings are material, immediately announced via SGXNET;
- (k) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (l) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;
- (m) review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

CORPORATE GOVERNANCE

- (n) review our 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.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any law, rule or regulation of the jurisdictions in which our Group operates, which has or is likely to have a material impact on our Company's operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Our Audit Committee, after having conducted an interview with Mr Kit Ng and considered:

- (a) the qualifications and his past working experiences (as described in the section entitled "Directors, Management and Staff – Executive Officers" of this Offer Document) which are compatible with his position as Group Financial Controller of our Group;
- (b) his demonstration of the requisite competency in finance-related matters in connection with the preparation of the listing of our Company;
- (c) the absence of negative feedback on Mr Kit Ng from the representatives of the Auditors and Reporting Accountants, and our independent internal auditor, and
- (d) the absence of internal control weakness attributable to Mr Kit Ng identified during the internal control review conducted by our independent internal auditor,

is of the view that Mr Kit Ng is suitable for the position of Group Financial Controller.

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee to cause them to believe that Mr Kit Ng does not have the competence, character and integrity expected of a Group Financial Controller of a listed issuer.

In addition, Mr Kit Ng shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

Our Audit Committee shall also commission an annual internal control audit until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, our Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure must be made via SGXNET on any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

CORPORATE GOVERNANCE

Based on the foregoing, our Board, to the best of its knowledge and belief, with the concurrence of our Audit Committee, based on the internal controls established and maintained by our Group, work performed by the external and internal auditors, and reviews by our Board and our Audit Committee, is of the opinion that our internal controls of our Group are adequate to address the financial, operational, compliance and information technology risks, and risk management systems of our Group.

BOARD PRACTICES

Each of our Directors has served in office in our Company since the following dates:

Name	Date of commencement
Mr Goh Yeow Tin	21 August 2015
Mr Michael Teo	22 June 2015
Mr Ang Kah Leong	22 June 2015
Mr Lu King Seng	21 August 2015
Mr Chua Kern	21 August 2015

Our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest to one third) of our Directors, are required to retire from office at each annual general meeting. Further all our Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in the "Summary of Selected Articles of Association of our Company" as set out in Appendix C of this Offer Document.

EXCHANGE CONTROLS

There are currently no exchange control restrictions on the repatriation of capital and remittance of profits into and out of the jurisdictions in which our Group operates in, or to our Group in these jurisdictions.

Singapore

As at the Latest Practicable Date, there are no laws or regulations in Singapore that may affect (a) the repatriation of capital, including the availability of cash and cash equivalent for use by our Group; and (b) the remittance of profits that may affect dividends interests or other payments to Shareholders.

Hong Kong

As at the Latest Practicable Date, there are currently no Hong Kong governmental laws, rules, regulations or other legislation in force that may affect (a) the repatriation of capital, including the availability of cash and cash equivalent for use by our Group; and (b) the remittance of profits that may affect dividends interests or other payments to Shareholders.

Malaysia

With the coming into effect of the Financial Services Act 2013 and the Islamic Financial Services Act 2013, all previously issued Exchange Control Notices and related circulars were revoked by Central Bank of Malaysia (“**BNM**”) effective 30 June 2013. In its place, BNM in exercising its powers under the Financial Services Act 2013 and the Islamic Financial Services Act 2013 issued seven (7) new notices, setting out guidelines on transactions that require the approval of BNM which are otherwise prohibited under the Financial Services Act 2013 and the Islamic Financial Services Act 2013.

As at the Latest Practicable Date and consistent with the previous Exchange Control Notices, foreign direct investors continue to have the freedom to repatriate their investment including capital, profit and dividends without being subject to any levy. There are also no restrictions on the repatriation of capital, profits, dividends, interests, fees or rental incomes by foreign direct investors or portfolio investors.

United Arab Emirates

Currently, there are no exchange control restrictions on the repatriation of capital and the remittance of profits into or out of the United Arab Emirates by or to our Group Companies in Singapore.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by the CDP, rather than CDP itself, will be treated, under our Articles of Association and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding the Shares in Securities Account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Pursuant to announced rules effective from 2 May 2014, transfers and settlements pursuant to on-exchange trades will be charged a fee of \$30 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of \$75.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.04% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore goods and services tax at 7.0% (or such other rate prevailing from time to time). Pursuant to announced rules effective from 2 May 2014, clearing fees for contracts of \$1.5 million and above will be reduced to 0.0325% and a cap of \$600 shall apply for the clearing fees.

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP agent. The CDP agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Saved as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:
 - (a) has, at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction 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 two (2) years from the date he ceased to be a partner;
 - (b) has, at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction 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 two (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;
 - (c) has any unsatisfied judgement against him;
 - (d) 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;
 - (e) 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;
 - (f) has, at any time during the last ten (10) years, had judgement 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, nor has he 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;
 - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) 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;
 - (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (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;
 - (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
 - (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 the period when he was so concerned with the entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Interview with the Commercial Affairs Department (the “CAD”)

Mr Chua Kern was interviewed by the CAD in September 2005 as a witness pertaining to its investigation into fictitious warranty claims submitted by Accord Customer Care Solutions Ltd to Nokia Pte Ltd (the “**Investigation**”). He was interviewed as a witness and in his capacity as a consumer as he had coincidentally made a warranty repair claim on his personal Nokia hand phone during the Investigation period.

The interview was conducted on 8 September 2005 and on 9 September 2005, CAD wrote to Mr Chua Kern at the latter’s request to confirm that he was interviewed as a witness only and was not in any way implicated with regards to the Investigation. Mr Chua Kern was never contacted by the CAD thereafter.

2. There is no shareholding qualification for Directors under the Articles of Association of our Company.
3. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

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SHARE CAPITAL

4. As at the Latest Practicable Date, there is one (1) class of shares in the capital of our Company, being ordinary shares. There are no founder, management or deferred shares. Our existing Shares do not carry voting rights which are different from the Placement Shares. The rights and privileges attached to our Shares are stated in the Articles of Association of our Company. The Controlling Shareholders and Substantial Shareholders of our Company are not entitled to any different voting rights from the other Shareholders.
5. Save as disclosed below in the section entitled "Share Capital" of this Offer Document, there were no changes in the issued and paid-up share capital of our Company and our subsidiaries within the last three (3) years preceding the Latest Practicable Date.
6. Save as disclosed in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid for cash or for a consideration other than cash, during the last three (3) years preceding the date of lodgement of this Offer Document.
7. No person has, or has the right to be given an option to subscribe for or purchase securities in our Company or our subsidiaries.

MEMORANDUM AND ARTICLES OF ASSOCIATION

8. Our Company (Company registration number 201526542C) is incorporated in Singapore. The nature of our Company's business has been stated earlier in this Offer Document. Our objects can be found in our Memorandum of Association which is available for inspection at our registered office in accordance with paragraph 33 in the section entitled "General and Statutory Information – Documents Available for Inspection" of this Offer Document.
9. An extract of our Articles of Association relating to, inter alia, Directors' powers to vote on contracts in which they are interested, Directors' remuneration, Directors' borrowing powers, Directors' retirement, Directors' share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in Appendix C of this Offer Document. The Articles of Association of our Company is available for inspection at our registered office in accordance with paragraph 33 in the section entitled "General and Statutory Information – Documents Available for Inspection" of this Offer Document.

MATERIAL CONTRACTS

10. The dates of, parties to and general nature of the material contracts, not being contracts entered into in the ordinary course of business, entered into by any member of our Group within two (2) years preceding the date of lodgement of this Offer Document, and the amount of any consideration passing to or from any member of our Group, as the case may be, under such contracts are as follows:
 - (a) the shareholders' agreement dated 16 July 2012 made between Taka Singapore and Mr Mehta Vimesh Piyush in respect of their shareholdings in Globe Diamonds;
 - (b) the Investment Agreement;
 - (c) BTA; and

GENERAL AND STATUTORY INFORMATION

- (d) the consultancy agreement entered into between Taka Singapore and Ellis Botsworth Advisory Pte Ltd (“EB”) dated 15 July 2013 pursuant to which EB shall provide support administrative services to our Group during the course of our initial public offering exercise. In relation to the aforementioned services, our Group had paid to EB approximately S\$68,387 in FY2014 and S\$0.2 million in FY2015; and
- (e) the agreement entered into between Taka Singapore and Taka Gold dated 19 August 2015 stipulating that Taka Singapore is entitled to all profits made by Taka Dubai and is liable to third parties and losses of Taka Dubai, with effect from 1 April 2014.

MANAGEMENT ARRANGEMENT

- 11. Pursuant to the Management Agreement, our Company and the Vendor appointed PPCF to manage the Placement. PPCF will receive a management fee from our Company for its services rendered in connection with the Placement.
- 12. Subject to the consent of the SGX-ST being obtained, the Management Agreement may be terminated by PPCF by notice in writing to our Company and the Vendor at any time before the close of the Application List on the occurrence of certain events including the following:
 - (a) PPCF becomes aware of any material breach by our Company, the Vendor and/or its agents(s) of any warranties, representations, covenants or undertakings given by our Company and the Vendor to PPCF in the Management Agreement; or
 - (b) there shall have been, since the date of the Management Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would materially change the scope of work, responsibility or liability required of PPCF; or
 - (c) there is a conflict of interest for PPCF, or any dispute, conflict or disagreement with our Company and/or the Vendor or our Company and/or the Vendor wilfully fails to comply with any advice from or recommendation of PPCF.
- 13. The Placement Agreement and the Management Agreement are each conditional upon the other not being terminated or rescinded pursuant to the provisions of the Placement Agreement or Management Agreement (as the case may be), and may be terminated on the occurrence of certain events, including those specified above. In the event that the Management Agreement or the Placement Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Placement.
- 14. In the reasonable opinion of our Directors, save as disclosed below and in the section entitled “Plan of Distribution” of this Offer Document, PPCF, the Issue Manager, Sponsor and Placement Agent does not have a material relationship with our Group:
 - (a) PPCF is the Issue Manager, Sponsor and Placement Agent of the Listing and the Placement;
 - (b) PPCF will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on Catalist; and
 - (c) pursuant to the Management Agreement and as part of PPCF’s management fees as the Issue Manager and Sponsor, our Company will issue and allot to 1,591,000 PPCF

GENERAL AND STATUTORY INFORMATION

Shares to PPCF. At the completion of the relevant moratorium period as set out in the section entitled “Shareholders – Moratorium” of this Offer Document, PPCF will be disposing its shareholding interest in our Company at its discretion.

PLACEMENT ARRANGEMENT

Pursuant to the Placement Agreement, our Company and the Vendor have appointed PPCF as the Placement Agent. The Placement Agent has agreed to procure subscribers and/or purchasers for the Placement Shares for a placement commission of 3.5% of the Placement Price for each Placement Share, to be paid by our Company and the Vendor. PPCF may, at its discretion, appoint one (1) or more sub-placement agents for the Placement Shares.

15. The Placement Agreement and the obligation of the Placement Agent under the Placement Agreement is conditional upon:
- (a) the Offer Document having been registered with the SGX-ST, acting as agent on behalf of the Authority by the date on which the Offer Document shall be registered by the SGX-ST, acting as agent on behalf of the Authority or such other date as our Company and PPCF shall decide in accordance with the Catalist Rules;
 - (b) the registration notice being issued or granted by the SGX-ST for the admission of our Company to Catalist and for the dealing in, and for quotation of, all the existing issued Shares (including the Vendor Shares), the New Shares, the PPCF Shares and the GFC Shares on Catalist and such registration notice not being revoked or withdrawn on or prior to the date of closing of the Application List for the Placement Shares under the Placement (“**Closing Date**”);
 - (c) the compliance by our Company and the Vendor (as the case may be) to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in issuing the registration notice, where such conditions are required to be complied with by the Closing Date;
 - (d) such approvals as may be required for the transactions described in the Placement Agreement and in the Offer Document in relation to the Listing and the Placement being obtained, and not withdrawn or amended, on or before the date on which our Company is admitted to Catalist (or such other date as our Company and the Placement Agent may agree in writing);
 - (e) there having been, in the reasonable opinion of the Placement Agent, no material adverse change or any development likely to result in a material adverse change in the financial or other condition of our Group between the date of the Placement Agreement and the Closing Date nor the occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect, as at the Closing Date, any of the warranties or representations nor any breach by our Company and the Vendor of any of its obligations under the Placement Agreement;
 - (f) the compliance by our Company and the Vendor with all applicable laws and regulations concerning the Listing, the dealing in, and quotation of, all the existing issued Shares (including the Vendor Shares), the New Shares, the PPCF Shares and the GFC Shares on Catalist and the transactions contemplated in the Placement Agreement and the Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having

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- occurred which, in the reasonable opinion of the Placement Agent, has or may have an adverse effect on the Placement and the dealing in, and quotation of, all the issued Shares and the New Shares on Catalist;
- (g) the delivery by our Company and the Vendor to the Placement Agent on the Closing Date of a certificate, in the form set out in the Schedule to the Placement Agreement, signed by the authorised signatories for and on behalf of our Company and the Vendor respectively;
 - (h) the Management Agreement not being terminated or rescinded pursuant to the provisions of the Management Agreement, on or before one (1) Market Day immediately following the Closing Date;
 - (i) the letters of undertaking referred to in the Offer Document in the section entitled “Shareholders – Moratorium” being executed and delivered to the Issue Manager, Sponsor and Placement Agent before the date of registration of the Offer Document with the SGX-ST, acting as agent on behalf of the Authority;
 - (j) the Management Agreement not being terminated or rescinded pursuant to the provisions of the Management Agreement; and
 - (k) the sub-placement agent having fulfilled all its obligations as set out in the sub-placement agreements with the Placement Agent.
16. The Placement Agreement and the Management Agreement are each conditional upon the other not being terminated or rescinded pursuant to the provisions of the Placement Agreement or Management Agreement (as the case may be), and may be terminated on the occurrence of certain events, including those specified above. In the event that the Management Agreement or the Placement Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Placement.
17. In the reasonable opinion of our Directors, save as disclosed below and in the section entitled “Plan of Distribution” of this Offer Document, PPCF, the Issue Manager, Sponsor and Placement Agent does not have a material relationship with our Group:
- (a) PPCF is the Issue Manager, Sponsor and Placement Agent of the Listing and the Placement;
 - (b) PPCF will be the Continuing Sponsor of our Company for a period of at least three (3) years from the date our Company is admitted and listed on Catalist; and
 - (c) pursuant to the Management Agreement and as part of PPCF’s management fees as the Issue Manager and Sponsor, our Company will issue and allot to 1,591,000 PPCF Shares to PPCF. At the completion of the relevant moratorium period as set out in the section entitled “Shareholders – Moratorium” of this Offer Document, PPCF will be disposing its shareholding interest in our Company at its discretion.

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LITIGATION

18. As at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant including those which are pending or known to be contemplated which may have or have had in the last twelve (12) months before the date of lodgement of this Offer Document, a material effect on the financial position or the profitability of our Company or any of our subsidiaries.

MISCELLANEOUS

19. The nature of the business of our Company has been stated earlier in this Offer Document. The corporations which by virtue of Section 6 of the Companies Act are deemed to be related to our Company are set out in the section entitled "Group Structure" of this Offer Document.
20. Save as disclosed in the sections entitled "Share Capital" and "Restructuring Exercise", there has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two (2) years preceding the date of this Offer Document.
21. There has not been any public take-over by a third party in respect of our Company's shares or by our Company in respect of shares of another corporation or units of a business trusts which has occurred between the beginning of FY2015 and the Latest Practicable Date.
22. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Bank. In the ordinary course of business, the Receiving Bank will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
23. Save as disclosed in this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiaries.
24. Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
- (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and

GENERAL AND STATUTORY INFORMATION

- (d) the business and financial prospects and any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services and known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues, profitability, liquidity, capital resources or operating income or that would cause financial information disclosed to be not necessarily indicative of the future operating results or financial condition of our Company.
25. Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred since the end of 31 March 2015 (being the end of the period covered by the most recent financial statements of our Group included in the Offer Document) to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.
26. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follows:

Name, professional qualification and address	Professional Body	Partner-in-charge/ Professional qualification
Ernst & Young LLP Level 18 North Tower One Raffles Quay Singapore 048583	Institute of Singapore Chartered Accountants	Ng Boon Heng Chartered Accountant, a member of the Institute of Singapore Chartered Accountants

We currently have no intention of changing our auditors after the admission to, and listing of, our Company on Catalist.

CONSENTS

27. The Auditors and Reporting Accountants, Ernst & Young LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years Ended 31 March 2013, 2014 and 2015” set out in Appendix A of this Offer Document and in the form and context in which it is included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
28. The Issue Manager, Sponsor and Placement Agent, PPCF, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its names and references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
29. Each of the Solicitors to the Placement, Rodyk & Davidson LLP, the Legal Adviser to our Company on Hong Kong Law, King & Wood Mallesons, the Legal Adviser to our Company on Malaysia Law, Mazlan & Associates, and the Legal Adviser to our Company on Dubai Law, Galadari Advocates and Legal Consultants (DIFC) Limited, the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., the Principal Bankers, The Hongkong and Shanghai Banking Corporation Limited, DBS Bank Limited, CIMB Bank Berhad, Australia & New Zealand Banking Group Limited and Standard Chartered Bank (Singapore) Limited, and the

GENERAL AND STATUTORY INFORMATION

Receiving Banker, The Bank of East Asia, Limited, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.

30. Each of the Solicitors to the Placement, Rodyk & Davidson LLP, the Legal Adviser to our Company on Hong Kong Law, King & Wood Mallesons, the Legal Adviser to our Company on Malaysia Law, Mazlan & Associates, the Legal Advisor to our Company on Dubai Law, Galadari Advocates and Legal Consultants (DIFC) Limited, the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., the Principal Bankers, The Hongkong and Shanghai Banking Corporation Limited, DBS Bank Limited, CIMB Bank Berhad, Australia & New Zealand Banking Group Limited and Standard Chartered Bank (Singapore) Limited, and the Receiving Banker, The Bank of East Asia, Limited, does not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any persons which is based on, or arises out of, the statements, information or opinions in this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

31. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement, our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

RESPONSIBILITY STATEMENT BY THE VENDOR

32. This Offer Document has been seen and approved by the Vendor and the Vendor accepts full responsibility for the accuracy of the information given in this Offer Document and confirms after making all reasonable enquiries, that to the best of the Vendor's knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement, our Group, and the Vendor is not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Vendor has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

GENERAL AND STATUTORY INFORMATION

DOCUMENTS AVAILABLE FOR INSPECTION

33. The following documents or copies thereof may be inspected at our registered office at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181 during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority:
- (a) the Memorandum and Articles of Association of our Company;
 - (b) the Audited Combined Financial Statements of TLV Holdings Limited and its Subsidiaries for the Financial Years Ended 31 March 2013, 2014 and 2015 as set out in Appendix A of this Offer Document;
 - (c) the audited financial statements of our subsidiaries and Associated Companies (where available);
 - (d) the material contracts referred to in this Offer Document;
 - (e) the letters of consent referred to in this Offer Document; and
 - (f) the Service Agreements referred to in this Offer Document.

**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
TLV HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2013, 2014 AND 2015**

**TLV Holdings Limited
and its Subsidiaries**

Audited Combined Financial Statements
31 March 2013, 2014 and 2015

**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
TLV HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2013, 2014 AND 2015**

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**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
TLV HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2013, 2014 AND 2015**

**Independent Auditor’s Report
On Audited Combined Financial Statements of
TLV Holdings Limited and its Subsidiaries
For the financial years ended 31 March 2013, 2014 and 2015**

24 August 2015

The Board of Directors
TLV Holdings Limited

Dear Sirs

Report on the financial statements

We have audited the accompanying financial statements of TLV Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the combined balance sheets of the Group as at 31 March 2013, 2014 and 2015, its combined statements of comprehensive income, statements of changes in equity of the Group, and cash flow statement of the Group for each of the financial years ended 31 March 2013, 2014 and 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages A-5 to A-61.

Management’s responsibility for the financial statements

The Company’s management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

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

**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
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Auditor’s responsibility (cont’d)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Opinion

In our opinion, the combined financial statements of the Group present fairly, in all material respects, the financial position of the Group as at 31 March 2013, 2014 and 2015 and of the financial performance, changes in equity and cash flows of the Group for the years 31 March 2013, 2014 and 2015 in accordance with Singapore Financial Reporting Standards.

Restriction on distribution and use

This Report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed listing of the shares of the Company with the Company’s listing on Catalist Board of the Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Ng Boon Heng

24 August 2015

**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
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**Combined Statement of Comprehensive Income
For the financial year ended 31 March 2013, 2014 and 2015**

	Note	2015 \$'000	Group 2014 \$'000	2013 \$'000
Revenue	5	153,984	112,788	123,228
Cost of sales		(110,031)	(97,304)	(109,182)
Gross profit		43,953	15,484	14,046
Other operating income	6	322	53	348
Distribution costs		(23,980)	(2,176)	(2,546)
Administrative expenses		(5,802)	(2,739)	(2,103)
Other operating expenses		(2,552)	(550)	(3)
Share of profit of associated company		1,143	783	296
Finance costs	7	(405)	(404)	(488)
Profit before tax	8	12,679	10,451	9,550
Income tax expense	10	(2,016)	(1,972)	(1,552)
Net profit		10,663	8,479	7,998
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation		556	–	–
Total comprehensive income		11,219	8,479	7,998
Earnings per share				
Basic and Diluted (cents)	11	2.17	1.91	1.81

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

**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
TLV HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2013, 2014 AND 2015**

Combined Balance Sheets as at 31 March 2013, 2014 and 2015

	Note	2015 \$'000	Group 2014 \$'000	2013 \$'000
ASSETS				
Non-current assets				
Investment in associated company	12	5,193	1,129	346
Fixed assets	13	5,456	4,695	3,043
Trademarks	14	1,267	–	–
Non-current other receivables	16	1,131	–	–
		13,047	5,824	3,389
Current assets				
Inventories	15	99,848	105,042	86,122
Trade and other receivables	16	48,422	25,553	29,715
Prepayments		317	59	26
Cash and bank balances	17	8,135	3,427	1,420
		156,722	134,081	117,283
Total assets		169,769	139,905	120,672
LIABILITIES				
Current liabilities				
Bank borrowings	18	14,635	9,123	7,964
Trade and other payables	19	62,208	58,165	45,472
Dividends payable	23	5,004	–	–
Income tax payable		2,544	2,146	1,648
		84,391	69,434	55,084
NET CURRENT ASSETS		72,331	64,647	62,199
Non-current liabilities				
Bank borrowings	18	2,802	3,073	4,060
Deferred tax liabilities	20	231	83	29
Provision	21	269	25	–
		3,302	3,181	4,089
Total liabilities		87,693	72,615	59,173
NET ASSETS		82,076	67,290	61,499
Equity attributable to owners of the Company				
Share capital	22	17,574	9,003	9,003
Translation reserve		556	–	–
Retained earnings		63,946	58,287	52,496
Total equity		82,076	67,290	61,499

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

**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
TLV HOLDINGS LIMITED AND ITS SUBSIDIARIES
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**Combined Statement of Changes in Equity
For the financial years ended 31 March 2013, 2014 and 2015**

Group	Share capital (Note 22) \$'000	Foreign currency translation reserve⁽¹⁾ \$'000	Retained earnings \$'000	Total \$'000
Opening balance as at 1 April 2014	9,003	–	58,287	67,290
Profit for the year	–	–	10,663	10,663
Other comprehensive income				
Foreign currency translation	–	556	–	556
Total comprehensive income	–	556	10,663	11,219
Share issued for Business Acquisition (Note 2)	8,571	–	–	8,571
Dividends on ordinary shares (Note 23)	–	–	(5,004)	(5,004)
Closing balance as at 31 March 2015	17,574	556	63,946	82,076
Opening balance as at 1 April 2013	9,003	–	52,496	61,499
Profit for the year, representing total comprehensive income	–	–	8,479	8,479
Dividends on ordinary shares (Note 23)	–	–	(2,688)	(2,688)
Closing balance as at 31 March 2014	9,003	–	58,287	67,290
Opening balance as at 1 April 2012	9,003	–	47,186	56,189
Profit for the year, representing total comprehensive income	–	–	7,998	7,998
Dividends on ordinary shares (Note 23)	–	–	(2,688)	(2,688)
Closing balance as at 31 March 2013	9,003	–	52,496	61,499

(1) 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.

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

**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
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Combined Cash Flow Statement for the financial years ended 31 March 2013, 2014 and 2015

	2015 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Profit before tax	12,679	10,451	9,550
Adjustments for:			
Depreciation of fixed assets	982	387	394
Amortisation of trademarks	141	–	–
Interest expense	405	404	488
Loss/(gain) on disposal of fixed assets, net	10	23	(2)
Share of profit of associated company	(1,143)	(783)	(296)
Fixed assets written off	–	3	–
Unrealised exchange loss/(gain)	1,261	(89)	(498)
Operating cash flows before working capital changes	14,335	10,396	9,636
(Increase)/decrease in trade and other receivables and prepayments	(15,701)	4,129	1,007
Decrease/(Increase) in inventories	5,176	(18,921)	556
(Decrease)/increase in trade and other payables	(1,262)	12,774	(8,191)
Increase/(decrease) in bills payable	1,400	(127)	(871)
Cash flows from operations	3,948	8,251	2,137
Interest paid	(405)	(404)	(488)
Income tax refunded	3	3	–
Income tax paid	(1,822)	(1,423)	(2,041)
Net cash generated from/(used in) operating activities	1,724	6,427	(392)
Cash flows from investing activities			
Investment in associated company	(2,450)	–	(50)
Proceeds from disposal of fixed assets	44	–	2
Net cash inflow from Business Acquisition (Note 2)	1,876	–	–
Purchase of fixed assets	(484)	(2,040)	(955)
Net cash flows used in investing activities	(1,014)	(2,040)	(1,003)
Cash flows from financing activities			
Repayment of finance lease liabilities	–	–	(2)
Proceeds from bank borrowings	4,700	4,675	9,670
Repayment of bank borrowings	(2,709)	(4,219)	(6,100)
Dividends paid	–	(2,688)	(2,688)
Movement in bank deposits pledged	–	21	(15)
Net cash flows generated from/(used in) financing activities	1,991	(2,211)	865
Net increase/(decrease) in cash and cash equivalents	2,701	2,176	(530)
Net effect of exchange rates changes on the balance cash held in foreign currencies	157	8	136
Cash and cash equivalents at beginning of the financial year	3,368	1,184	1,578
Cash and cash equivalents at end of the financial year (Note 17)	6,226	3,368	1,184

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

**APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF
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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

1. Corporate information

TLV Holdings Limited (the “Company”) was incorporated in Singapore on 22 June 2015 as a private exempt limited company under the name of “TLV Holdings Pte Ltd” with an issued and paid-up share capital of \$0.33. Prior to listing, the Company was converted into a public limited company.

The Group’s intermediate holding company, Taka Jewellery Pte. Ltd. (formerly known as Metallic Refining Enterprise Pte Ltd) (“TJPL”) is incorporated and domiciled in Singapore with its principal place of business and registered office at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181.

The principal activities of TJPL are those relating to retail and wholesale of jewellery. The principal activities of its subsidiaries are stated in table on the following page.

On 1 April 2014, TJPL changed its name from Metallic Refining Enterprise Pte Ltd to Taka Jewellery Pte. Ltd. subsequent to its acquisition of Taka Gold Pte. Ltd. as described in Note 2 to the financial statements.

TLV Holdings Limited and its subsidiaries (the “Group”) was formed through a restructuring exercise, where it became the holding company of TJPL through a share swap arrangement on 17 August 2015. Pursuant to the share swap agreement, the Company issued and allotted 492,455,998 ordinary shares to the shareholders of TJPL for an aggregate consideration of \$82,075,999.67 for the entire issued and paid up capital of TJPL. As a result, the Group represents the continuation of Taka Jewellery Pte. Ltd. and its subsidiaries.

Subsidiaries of the Group include the following:

Name of subsidiary	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest		
			2015	2014	2013
Taka Jewellery Pte. Ltd. (formerly known as Metallic Refining Enterprise Pte Ltd) ⁽ⁱ⁾	Wholesale and retail of jewellery	Singapore	100	100	100
Voi Jewellery Pte Ltd ⁽ⁱ⁾	Wholesale of jewellery	Singapore	100	100	100
Top Cash Jewellery Pte Ltd ⁽ⁱ⁾	Retail of secondhand jewellery	Singapore	100	100	100

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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

1. Corporate information (cont'd)

Name of subsidiary	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest		
			2015	2014	2013
Top Cash Pte Ltd ⁽ⁱ⁾	Pawnbroking	Singapore	100	100	100
Lovis Diamonds Pte Ltd ⁽ⁱ⁾	Retail of jewellery	Singapore	100	100	100
Taka Jewellery (Hong Kong) Limited ⁽ⁱⁱ⁾	Wholesale of jewellery	Hong Kong	100	–	–
Taka Jewellery LLC ⁽ⁱⁱⁱ⁾	Wholesale of jewellery	Dubai	100*	–	–
Taka Jewellery Sdn Bhd ^(iv)	Dormant	Malaysia	100	–	–

* TJPL 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.

(i) Audited by Ernst & Young LLP.

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

(iii) Audited by Kanaan and Associates, Certified Public Accountants and Advisors, Dubai.

(iv) Audited by Leong Siew Hoong & Co., Certified Public Accountants, Malaysia.

2. Business Acquisition

On 1 April 2014, Taka Jewellery Pte. Ltd. (“TJPL”) (formerly known as Metallic Refining Enterprise Pte Ltd) acquired the wholesale and retail of jewellery business of Taka Gold Pte. Ltd. (“TGPL”) and the shares in the subsidiaries of TGPL, namely Taka Jewellery Sdn Bhd, Taka Jewellery LLC and Taka Jewellery (Hong Kong) Limited (“Business Acquisition”).

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2. Business Acquisition (cont'd)

The aggregate consideration for the business combination was \$8,571,302. The consideration was satisfied by the issue and allotment of 921,445 shares in TJPL on 7 July 2014. There was no goodwill arising from the aforesaid transaction.

	2015 \$'000
Fair value of assets and liabilities	
Property, plant and equipment (Note 13)	1,069
Trademarks (Note 14)	1,408
Trade and other receivables	27,045
Prepayment	77
Cash and bank balances	1,876
	31,475
	31,475
Trade and other creditors	2,062
Income tax payable	102
Deferred tax liabilities	239
	2,403
	2,403
Identifiable net assets at fair value	29,072
Goodwill arising from acquisition	-
	-
Total identifiable net assets at fair value	29,072
	29,072
Consideration transferred for the acquisition	
Fair value of issued share capital	(8,571)
Settlement of trade receivables from TGPL	(20,501)
	(29,072)
Add: Cash and cash equivalents acquired	1,876
Net cash inflow from Business Acquisition	1,876

Trade and other receivables acquired

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$27,045,000, which approximates fair value. It is expected that the full carrying amount of the receivables can be collected.

Transaction costs

Total transaction costs related to the acquisition of \$70,000 have been recognised in 'Administrative expenses' line item in the Group's profit and loss account for the financial year ended 31 March 2015.

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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

3. Summary of significant accounting policies

3.1 *Basis of preparation*

The combined financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) and have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Singapore Dollars (SGD or \$), which is the Company’s functional currency.

3.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 April 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

3.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs (January 2014):	
– Amendments to FRS 102 Share-based Payment	1 July 2014
– Amendments to FRS 103 Business Combinations	1 July 2014
– Amendments to FRS 108 Operating Segments	1 July 2014
– Amendments to FRS 16 Property, Plant and Equipment	1 July 2014
– Amendments to FRS 24 Related Party Disclosures	1 July 2014
– Amendments to FRS 38 Intangible Assets	1 July 2014
Improvements to FRSs (February 2014):	
– Amendments to FRS 40 Investment Property	1 July 2014
– Amendments to FRS 103 Business Combinations	1 July 2014
– Amendments to FRS 113 Fair Value Measurement	1 July 2014
Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 16 and FRS 41 Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016

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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

3. Summary of significant accounting policies (cont'd)

3.3 Standards issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 111 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Improvements to FRSs (November 2014):	
– Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
– Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2016
– Amendments to FRS 19 Employee Benefits	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS is described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently evaluating the impact of FRS 115 on the Group's financial statements and is planning to adopt the new standard on the required effective date.

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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

3. Summary of significant accounting policies (cont'd)

3.3 Standards issued but not yet effective (cont'd)

FRS 109 Financial Instruments

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement, and introduces new requirements for classification and measurement, impairment and hedge accounting. The adoption of FRS 109 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities. FRS 109 also introduces a new expected loss impairment model, and adds detailed guidance on impairment-related presentation and disclosures. The Group is in the process of assessing the impact of the new standard for the future periods.

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. 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

Interest income is recognised using the effective interest method.

(c) Dividend income

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

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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

3. Summary of significant accounting policies (cont'd)

3.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The combined 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 combined 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 combined from the date of acquisition, being the date on which the Group obtains control, and continue to be combined 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.

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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

3. Summary of significant accounting policies (cont'd)

3.5 Basis of consolidation and business combinations (cont'd)

(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 deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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.

3.6 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.

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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

3. Summary of significant accounting policies (cont'd)

3.6 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) Combined 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.

3.7 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

3.8 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.

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Notes to the Combined Financial Statements for the financial years ended 31 March 2013, 2014 and 2015

3. Summary of significant accounting policies (cont'd)

3.8 Associate (cont'd)

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.

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.

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3. Summary of significant accounting policies (cont'd)

3.9 Fixed assets

All items of fixed assets are initially recorded at cost. The cost of an item of fixed asset 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, fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of fixed assets 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 fixed assets 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 fixed assets as follows:

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

The carrying values of fixed assets 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 fixed asset 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 fixed asset is included in profit or loss in the year the asset is derecognised.

3.10 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.

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3. Summary of significant accounting policies (cont'd)

3.10 *Intangible assets (cont'd)*

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.

3.11 *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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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3. Summary of significant accounting policies (cont'd)

3.11 *Impairment of non-financial assets (cont'd)*

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.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. 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.

3.12 *Financial assets*

Initial recognition and measurement

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

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3. Summary of significant accounting policies (cont'd)

3.12 *Financial assets (cont'd)*

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 is recognised in profit or loss.

3.13 *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.

All financial liabilities are recognised initially at fair value plus 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.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.14 *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.

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3. Summary of significant accounting policies (cont'd)

3.14 Financial guarantees (cont'd)

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 recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

3.15 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement, at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

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.

3.16 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.

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3. Summary of significant accounting policies (cont'd)

3.17 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.

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.

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3. Summary of significant accounting policies (cont'd)

3.17 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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3. Summary of significant accounting policies (cont'd)

3.17 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

3.18 Share capital and share issue expenses

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

3.19 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.

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3. Summary of significant accounting policies (cont'd)

3.20 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.

3.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3.22 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.

3.23 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

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3. Summary of significant accounting policies (cont'd)

3.23 *Related parties (cont'd)*

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.24 *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 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

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4. Significant accounting judgements and estimate

The preparation of the Group's combined 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.

4.1 Judgements made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of the goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Determination of investment in associated company

In July 2012, TJPL and the other shareholder invested in an entity whose principal business activity is the wholesale of jewellery. The Group holds a 50% equity interest in this entity and has accounted the equity interest as investment in associated company. The Group has one representation on the entity's board of directors, however all major operational decisions are decided by the other shareholder as indicated in the shareholder's agreement. Based on these facts and circumstances, management concluded that the Group has significant influence on this entity and, therefore, equity accounts the entity in the financial statements.

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4. Significant accounting judgements and estimate (cont'd)

4.1 Judgements made in applying accounting policies (cont'd)

Allowance for doubtful debts

The policy for allowances for bad and doubtful debts of the Group is based on the evaluation of collectibility and aging analysis of trade receivables and on management's judgement. The carrying amounts of trade receivables as at 31 March 2015 for the Group is \$45,290,000 (2014: \$21,610,000, 2013: \$26,446,000) which is net of an allowance for impairment for trade receivables of \$697,000 (2014: \$Nil, 2013: \$59,000). A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional 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.

Allowance of inventory obsolescence

The Group periodically assesses the allowance for inventory obsolescence. When the inventories are deemed not sellable, the difference between net realisable value and cost is recognised as an allowance against the inventory balance. The Group assesses consumer preferences for the product it carries. Any possible changes in consumer's preferences could affect the saleability of the inventory. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 15 to the financial statements.

5. Revenue

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
Sale of goods, net of discounts and returns	153,837	112,788	123,228
Interest income from pawnbroking business	147	–	–
	<u>153,984</u>	<u>112,788</u>	<u>123,228</u>

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6. Other operating income

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Foreign currency exchange gain	–	–	326
Government grants	149	47	5
Gain on disposal of fixed assets	–	–	2
Sundry income	173	6	15
	<u>322</u>	<u>53</u>	<u>348</u>

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

7. Finance costs

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Interest expense on:			
– Bank loans	343	272	337
– Bills payable	40	21	26
– Bank overdrafts	22	4	5
– Loan from Directors	–	107	120
	<u>405</u>	<u>404</u>	<u>488</u>

8. Profit before tax

The following items have been included in arriving at profit before tax:

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Employee compensation (Note 9)	12,254	2,480	2,238
Rental on operating leases	6,810	603	1,203
Net foreign currency exchange loss	1,948	512	–
Depreciation of fixed assets (Note 13)	982	387	394
Loss/(gain) on disposal of fixed assets	10	23	(2)
Fixed assets written off (Note 13)	–	3	–
Amortisation of trademarks (Note 14)	141	–	–
Net allowance for impairment of trade receivables – non-related parties (Note 16)	453	–	–

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9. Employee compensation

	2015	Group 2014	2013
	\$'000	\$'000	\$'000
Short-term employment benefits	11,329	2,365	2,135
Employer's contribution to Central Provident Fund	925	115	103
	12,254	2,480	2,238
	12,254	2,480	2,238

10. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2015, 2014 and 2013 are:

	2015	Group 2014	2013
	\$'000	\$'000	\$'000
Statement of comprehensive income:			
<i>Current income tax</i>			
Current year	2,269	1,920	1,552
Over provision in prior year	(160)	(2)	–
<i>Deferred income tax</i>			
Current year	(44)	54	–
Over provision of deferred tax in prior year	(49)	–	–
	2,016	1,972	1,552
	2,016	1,972	1,552

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10. Income tax expense (cont'd)

Reconciliation between tax expense and profit before tax

The reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 March are as follow:

	2015	Group	2013
	\$'000	\$'000	\$'000
Profit before tax	12,679	10,451	9,550
Tax calculated at tax rate of 17%	2,155	1,777	1,624
Adjustments:			
Effect of different tax rates in other countries	(3)	–	–
Non-deductible expenses	389	388	37
Income not subject to tax	(6)	(73)	(29)
Deferred tax assets not recognised	42	48	6
Benefits from previously unrecognised tax assets	(2)	–	–
Tax effect of partial tax exemption, tax rebate and enhanced allowance	(156)	(33)	(36)
Overprovision in prior year	(209)	(2)	–
Share of profit from associated company	(194)	(133)	(50)
	<u>2,016</u>	<u>1,972</u>	<u>1,552</u>

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11. Earnings per share

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

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Profit for the year attributable to owners of the Company used in computation of basic earnings per share	10,663	8,479	7,998
	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares* for basic and diluted earnings per share	492,456,000	443,082,613	443,082,613

* Adjusted for number of shares based on the share swap ratio of 53.57 TLV shares to one TJPL share were issued as consideration, pursuant to the share swap arrangement as described in Note 1.

For illustrative purposes, basic and diluted earnings per share are also calculated on the same basis based on pre-placement share capital of the Company for illustration purposes in the table below. The Company's pre-placement share capital of 492,456,000 ordinary shares is assumed to be in issue throughout the entire financial years presented.

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Profit for the year attributable to owners of the Company used in computation of basic earnings per share	10,663	8,479	7,998
Earning per shares (cents)			
Basic and diluted based on pre-placement share capital	2.17	1.72	1.62

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12. Investment in associated company

The Group has 50% (2014 and 2013: 50%) interest in the ownership in the associated company, Globe Diamonds Pte Ltd. The entity is incorporated in Singapore and is a strategic venture in the business.

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
Shares, at cost	2,500	50	50
Share of post-acquisition reserves	2,693	1,079	296
	<u>5,193</u>	<u>1,129</u>	<u>346</u>

Included in share of post-acquisition reserves is an amount of S\$452,000 (2014 and 2013: S\$Nil) relating to foreign currency translation reserve adjustment.

Name of associated company	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest		
			2015	2014	2013
Globe Diamonds Pte Ltd (i)	Wholesale of diamonds	Singapore	50	50	50

(i) Audited by Pinnacle Partnership LLP

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12. Investment in associated company (cont'd)

The summarised financial information of associated company, based on its FRS financial statements and reconciliation with the carrying amount of the investment in the combined financial statements are as follows:

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
<i>Summarised balance sheet</i>			
Non-current assets	2,269	2,182	1,406
Current assets	33,710	19,442	12,517
Total assets	35,979	21,624	13,923
Non-current liabilities	1,440	1,500	1,574
Current liabilities	24,153	17,866	11,657
Total liabilities	25,593	19,366	13,231
Net assets	10,386	2,258	692
Proportion of the Group's ownership	50%	50%	50%
Group's share of net assets, representing carrying amount of investment	5,193	1,129	346
<i>Summarised statement of comprehensive income</i>			
Revenue	33,748	33,454	14,349
Profit after tax	2,324	1,566	592
Other comprehensive income	904	–	–
Total comprehensive income	3,228	1,566	592

Included in total comprehensive income for the financial year 31 March 2015, is an unrealised profit of \$19,000 on inventory sold to the Group which is adjusted on consolidation.

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13. Fixed assets

Group	Leasehold properties \$'000	Furniture and fittings and office equipment \$'000	Motor vehicles \$'000	Renovation \$'000	Total \$'000
Cost					
At 31 March 2012	2,265	651	781	659	4,356
Additions	800	92	–	63	955
Written off	–	(145)	–	–	(145)
Disposals	–	–	–	(6)	(6)
At 31 March 2013 and 1 April 2013	3,065	598	781	716	5,160
Additions ⁽¹⁾	1,450	237	–	378	2,065
Written off	–	(42)	–	–	(42)
Disposals	–	(107)	–	(233)	(340)
At 31 March 2014 and 1 April 2014	4,515	686	781	861	6,843
Additions ⁽¹⁾	–	206	89	433	728
Acquired from Business Acquisition (Note 2)	–	149	777	143	1,069
Disposals	–	(4)	(36)	(14)	(54)
At 31 March 2015	4,515	1,037	1,611	1,423	8,586

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13. Fixed assets (cont'd)

Group	Leasehold properties \$'000	Furniture and fittings and office equipment \$'000	Motor vehicles \$'000	Renovation \$'000	Total \$'000
Accumulated depreciation					
At 31 March 2012	838	431	106	499	1,874
Depreciation charge for the year	111	101	78	104	394
Written off	–	(145)	–	–	(145)
Disposals	–	–	–	(6)	(6)
At 31 March 2013 and 1 April 2013	949	387	184	597	2,117
Depreciation charge for the year	135	104	78	70	387
Written off	–	(39)	–	–	(39)
Disposals	–	(91)	–	(226)	(317)
At 31 March 2014 and 1 April 2014	1,084	361	262	441	2,148
Depreciation charge for the year	134	210	181	457	982
At 31 March 2015	1,218	571	443	898	3,130
Net carrying amount					
At 31 March 2015	3,297	466	1,168	525	5,456
At 31 March 2014	3,431	325	519	420	4,695
At 31 March 2013	2,116	211	597	119	3,043

The leasehold properties of the Group are secured to obtain the Group's banking facilities (Note 18).

At the end of the reporting period, motor vehicles with carrying value amounting to \$324,000 (2014: \$385,000, 2013: \$446,000) were held in trust by directors of the Group.

(1) The additions include capitalisation of provision for reinstatement cost amounting to \$244,000 and \$25,000 in the financial year ended 31 March 2015 and 2014 respectively (Note 21).

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14. Trademarks

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Cost			
At beginning of the year	–	–	–
Addition due to Business Acquisition (Note 2)	1,408	–	–
At end of the year	1,408	–	–
Accumulated amortisation			
At beginning of the year	–	–	–
Amortisation charge for the year	141	–	–
At end of the year	141	–	–
Net carrying value	1,267	–	–

Trademarks relate to the “Taka Jewellery” trademarks acquired as part of the Business Acquisition (Note 2). The remaining useful life of these trademarks is approximately 9 years.

The amortisation of trademarks is included in the “Other operating expense” line item in profit and loss.

15. Inventories

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Balance sheet:			
Finished goods and goods for resale, at costs	58,412	56,037	48,887
Raw materials, at costs	41,456	49,158	37,399
Less: Provision for obsolete inventories	(20)	(153)	(164)
Total inventories at lower of cost and net realisable value	99,848	105,042	86,122
Income statement:			
Inventories recognised as an expense in cost of sales	110,031	97,304	109,182
Inclusive of the following charge/(credit):			
– Provision for obsolete inventories	20	–	–
– Reversal of write-down of inventories	(153)	(11)	–

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

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16. Trade and other receivables

	2015 \$'000	Group 2014 \$'000	2013 \$'000
Non-current			
Rental deposits	1,131	–	–
Current			
Trade receivables:			
Third parties	45,987	520	303
Related parties	–	21,090	26,202
Less: Allowance for impairment of receivables			
– Third parties	(697)	–	(59)
	45,290	21,610	26,446
Other receivables			
Third parties	404	17	591
Related parties	1,150	3,601	2,309
Less: Allowance for impairment of receivables			
– Third parties	–	–	(58)
	1,554	3,618	2,842
Deposits	1,578	325	427
Total current trade and other receivables	48,422	25,553	29,715
Add: Cash and cash equivalents	8,135	3,427	1,420
Less: Advances to suppliers	(344)	–	(532)
Total loans and receivables	57,344	28,980	30,603

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

Other current receivables (third parties) includes advances to suppliers of the Group amounting to \$344,000 (2014: \$Nil, 2013: \$532,000).

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16. Trade and other receivables (cont'd)

The amounts owing from related parties are unsecured, interest-free and repayable on demand.

Trade receivables denominated in foreign currencies at 31 March are as follows:

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
USD	38,935	257	521
HKD	680	–	2
AED	614	–	–

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$17,450,000 (2014: \$13,208,000, 2013: \$12,158,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Past due within 1 month	1,700	7,583	6,499
Past due 2-3 months	7,018	811	5,559
Past due over 3 months	8,732	4,814	100
	17,450	13,208	12,158

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment is as follows:

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Trade receivables – nominal amounts	697	–	59
Less: Allowance for impairment	(697)	–	(59)
	–	–	–

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16. Trade and other receivables (cont'd)

Receivables that are impaired (cont'd)

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
Movement in allowance accounts:			
At 1 April	–	59	59
Written off	–	(59)	–
Charge for the year	1,300	–	–
Reversal of provision for doubtful debts	(847)	–	–
Exchange differences	244	–	–
At 31 March	<u>697</u>	<u>–</u>	<u>59</u>

17. Cash and bank balances

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
Cash at bank	7,651	3,217	1,380
Cash on hand	484	210	40
	<u>8,135</u>	<u>3,427</u>	<u>1,420</u>

Cash and bank balances denominated in foreign currencies as at 31 March are as follows:

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
USD	4,782	1,241	10
AED	618	–	–
HKD	175	–	–

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17. Cash and bank balances (cont'd)

For the purpose of the combined statements of cash flows, the combined cash and cash equivalents comprise the following at the end of the reporting period:

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Cash and cash equivalents (as above)	8,135	3,427	1,420
Less: Pledged bank deposits	–	–	(21)
Less: Bank overdrafts (Note 18)	(1,909)	(59)	(215)
Cash and cash equivalents per combined statement of cash flows	<u>6,226</u>	<u>3,368</u>	<u>1,184</u>

In 2013, bank deposits are pledged in relation to the security granted for certain borrowings of related parties. There are no bank deposits pledged for 2014 and 2015.

18. Bank borrowings

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Current			
Bank overdraft	1,909	59	215
Bills payable	2,526	1,126	1,254
Revolving loans	8,116	5,915	4,615
Fixed rate term loan	703	833	833
Floating rate term loans	1,381	1,190	1,047
	<u>14,635</u>	<u>9,123</u>	<u>7,964</u>
Non-current			
Fixed rate term loan	–	706	1,531
Floating rate term loans	2,802	2,367	2,529
	<u>2,802</u>	<u>3,073</u>	<u>4,060</u>
Total bank borrowings	<u>17,437</u>	<u>12,196</u>	<u>12,024</u>

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18. Bank borrowings (cont'd)

Bank overdraft bears interest rate ranging from 0.50% to 1.50% (2014, 2013: 0.50% to 1%) per annum over the prime lending rate of the bank and is repayable on demand.

The bank overdraft includes \$1,550,000 (2014 and 2013: \$Nil) which is secured by the following:

- (a) Joint and several personal guarantee from certain Directors of the Company;
- (b) Corporate guarantee from TJPL;
- (c) Charge on all sums in current account and a first fixed and floating charge on all present and future assets of a subsidiary; and
- (d) Assignment of insurance policies.

Bills payable bears interest rate ranging from 1.87% to 2.30% (2014: 1.73% to 2.18%, 2013: 1.97% to 2.70%). Bills payable are repayable within 75 days to 210 days (2014: 90 days to 210 days, 2013: 88 days to 210 days).

Revolving loans bear interest rate ranging from 2.60% to 3.38% (2014: 2.22% to 2.80%, 2013: 2.35% to 3.09%) per annum. The revolving loans are due for repayment within the next three months from the end of the reporting period.

Fixed rate bank term loans bears fixed interest rate of 1.15% per annum. The loan is repayable by 36 equal monthly instalments from drawdown date.

Floating rate bank term loans bear interest rate ranging from 1.7% to 4.69% (2014: 1.35% to 4.20%, 2013: 1.26% to 4.15%) per annum. The loans are repayable by 36 to 180 equal monthly instalments from drawdown date.

The bank borrowings are secured by corporate guarantee from a former related party and personal guarantees from certain Directors of the Company. Certain floating rate term loans are secured by first mortgage over leasehold properties (Note 13) owned by the Group.

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19. Trade and other payables

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Trade payables:			
Third parties	49,654	46,203	33,695
Related parties	9,358	11,343	8,708
	59,012	57,546	42,403
Other payables:			
Third parties	67	66	574
Related parties	–	–	40
Directors	–	–	1,570
	67	66	2,184
Accrued expenses	1,302	209	526
Staff related accruals	1,827	344	359
Total trade and other payables	62,208	58,165	45,472
Add: Bank borrowings (Note 18)	17,437	12,196	12,024
Total financial liabilities at amortised cost	79,645	70,361	57,496

Trade payables are normally on a 120-days term (2014 and 2013: 120 days).

The amounts owing to related parties are unsecured, interest-free and repayable on demand.

In 2013, the amounts owing to the directors are unsecured, bears an interest rate of 12% per annum and repayable on demand. In 2014, the amounts owing to the directors were fully re-paid during the year.

Trade payables denominated in foreign currencies at 31 March are as follows:

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
USD	43,852	43,978	29,509
HKD	178	242	4

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20. Deferred tax liabilities

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Deferred tax assets	(89)	(7)	–
Deferred tax liabilities	320	90	29
Net deferred tax liabilities	231	83	29

The analysis of deferred tax is as follows:

Deferred tax liabilities:

Differences in depreciation	81	90	29
Differences in amortisation	239	–	–

Deferred tax assets:

Provisions	(84)	(7)	–
Unutilised tax losses	(5)	–	–

At the end of the reporting period, the Group has unutilised tax losses of approximately \$347,000 (2014: \$136,000, 2013: \$19,000) that are available for offset against future taxable profit of the Group, for which no deferred tax asset is recognised due to uncertainty of its 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.

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2014, 2013: \$Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

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21. Provision

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
1 January	25	–	–
Additions during the year (Note 13)	244	25	–
31 December	269	25	–

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

22. Share capital

	2015	2014	2013	Group	2015	2014	2013
	Number of shares				\$'000	\$'000	\$'000
Issued and fully paid ordinary shares:							
At beginning of year	8,271,096	8,271,096	8,271,096		9,003	9,003	9,003
Shares issued for Business Acquisition (Note 2)	921,445	–	–		8,571	–	–
At end of year	9,192,541	8,271,096	8,271,096		17,574	9,003	9,003

For the purposes of the preparation of the combined balance sheet, issued share capital as at 31 March 2013, 2014 and 2015 represent the issued share capital of TJPL.

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

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23. Dividends

	2015	Company	
	\$'000	2014	2013
		\$'000	\$'000
Declared and paid during the financial year:–			
<i>Dividend on ordinary shares:</i>			
– One tier tax exempted interim dividend for \$Nil (2014, 2013: \$0.325) per share	–	2,688	2,688
Declared but not paid during the financial year:–			
<i>Dividend on ordinary shares:</i>			
– One tier tax exempted interim dividend for \$0.605 (2014, 2013: \$Nil) per share	5,004	–	–

The above dividends are declared based on the share capital of the TJPL prior to the Business Acquisition (Note 2).

24. 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 parties at terms agreed between the parties:

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Sale of goods to former related parties*	–	106,786	116,900
Purchases of goods from former related parties*	–	910	1,088
Rental paid to associated company	–	19	16
Advances to associated company	–	1,900	1,700
Purchases of goods from associated company	19,462	26,152	13,295

* Former related parties refer to companies which were controlled by the Group's key management personnel.

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24. Related party transactions (cont'd)

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

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

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
Short-term employment benefits	2,151	1,311	1,191
Employer's contributions to Central Provident Fund	61	34	34
	2,212	1,345	1,225
	2,212	1,345	1,225

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.

25. Commitments

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 2 to 3 years, with escalation clause stipulating yearly fixed rate increment on base rent.

The operating lease expenses incurred by the Group is \$6,810,000 (2014: \$603,000, 2013: \$1,203,000) and includes contingent rent expenses of \$173,000 (2014: \$31,000; 2013: \$Nil). Contingent rent is determined based on a percentage of its 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:

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
Within 1 year	4,502	429	296
After 1 year but within 5 years	3,279	1,393	–
	7,781	1,822	296
	7,781	1,822	296

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26. Contingent liabilities

The Group has provided the following guarantees at year end to banks for credit facilities granted to a former related party and an associated company.

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Corporate guarantees in relation to:			
Secured bank loan granted to a former related party ⁽¹⁾	–	542	975
Secured bank loan and credit facilities granted to an associated company	2,050	1,975	1,646
	2,050	2,517	2,621
	2,050	2,517	2,621

⁽¹⁾ These corporate guarantees were granted to the former related party whose business was acquired (Note 2).

27. 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 and foreign currency 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.

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27. 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.

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, except as follows:

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
Corporate guarantee provided to bank on a secured bank loan and credit facilities granted to a former related party and an associated company (Note 26)	2,050	2,517	2,621

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

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

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector 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:

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
<u>By Industry</u>			
Jewellery	40,545	21,610	26,446
Pawnshop business	4,745	–	–
	<u>45,290</u>	<u>21,610</u>	<u>26,446</u>

In 2015, there is no concentration of credit risk. In 2014 and 2013, the trade receivables of the Group mainly comprise of one debtor that individually represented 84% and 93% of trade receivables, respectively. This one debtor relates to the former related party whose business was acquired (Note 2).

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16.

(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 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 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 84% (2014: 75%, 2013: 66%) of the Group's loans and borrowings will mature in less than one year based on the carrying amounts reflected in the financial statements.

The Group assessed the concentration risk with respect to refinancing its debt 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 lenders.

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27. 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 assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	2015 \$'000		2014 \$'000		2013 \$'000	
	One year or less five years	Over five years	One year or less five years	Over five years	One year or less five years	Over five years
Financial assets						
Cash and cash equivalents (Note 17)	8,135	–	8,135	–	1,420	–
Trade and other receivables (Note 16)	46,500	–	46,500	–	28,756	–
Total undiscounted financial assets	54,635	–	54,635	–	30,176	–
			Total	Over five years	Total	Total
			3,427	–	3,427	1,420
			25,228	–	25,228	–
			28,655	–	28,655	–
			54,635	–	30,176	30,176

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

(b) Liquidity risk (cont'd)

Group	2015 \$'000		2014 \$'000		2013 \$'000	
	One year or less five years	Over five years Total	One year or less five years	Over five years Total	One year or less five years	Over five years Total
Financial liabilities:						
Trade and other payables (Note 19)	62,208	–	58,165	–	45,472	–
Dividends payable (Note 23)	5,004	–	–	–	–	–
Bank borrowings	14,834	2,289	9,323	2,791	8,119	3,597
Total undiscounted financial liabilities	82,046	2,289	67,488	2,791	53,591	3,597
Total net undiscounted financial liabilities	27,411	2,289	38,833	2,791	23,415	3,597
		892		1,583		749
		85,227		71,862		57,937
		30,592		43,207		27,761

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27. 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 their 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 31 March 2013, 2014 and 2015, if interest rates had been 100 basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been approximately \$80,000, \$88,000 and \$139,000 higher/lower respectively, arising mainly as a result of lower/higher interest income on cash at bank and 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 USD, HKD and AED. The foreign currencies in which these transactions are denominated are mainly USD, which the Group's trade and other receivables and trade and other payables balances at the balance sheet date have such exposures.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. As at 31 March 2013, 2014 and 2015, such foreign currency balances have been disclosed in Note 17.

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

(d) *Foreign currency risk (cont'd)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of 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.

	Group Profit net of tax		
	2015 \$'000	2014 \$'000	2013 \$'000
Against SGD			
USD			
– strengthened 1% (2014, 2013: 1%)	(1)	(352)	(241)
– weakened 1% (2014, 2013: 1%)	1	352	241
HKD			
– strengthened 1% (2014, 2013: 1%)	6	(2)	–
– weakened 1% (2014, 2013: 1%)	(6)	2	–
AED			
– strengthened 1% (2014, 2013: 1%)	10	–	–
– weakened 1% (2014, 2013: 1%)	(10)	–	–

28. Fair values of financial instruments

(a) *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 cash equivalents, trade and other receivables, trade and other payables and dividend payables*

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

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28. Fair values of financial instruments (cont'd)

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd)

(ii) *Bank borrowings*

The carrying amount of the bank borrowing 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.

(b) 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

	2015		Group 2014		2013	
	Carrying amount	Fair Value	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Rental deposits (non-current)	1,131	1,046	–	–	–	–
Financial liabilities						
Fixed rate term loan (non-current)	–	–	706	644	1,531	1,334

29. 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 years ended 31 March 2013, 2014 and 2015.

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29. Capital management (cont'd)

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, trade and other payables, less cash and short-term deposits. Capital relates equity attributable to the owners of the Company.

	2015	Group	
	\$'000	2014	2013
		\$'000	\$'000
Bank borrowings (Note 18)	17,437	12,196	12,024
Trade and other payables (Note 19)	62,208	58,165	45,472
Less:			
Cash and bank balances (Note 17)	(8,135)	(3,427)	(1,420)
Net debt	71,510	66,934	56,076
Equity attributable to the owners of the Company	82,076	67,290	61,499
Capital and net debt	153,586	134,224	117,575
Gearing ratio	47%	50%	48%

30. Segment information

The Group's businesses are organised and managed as two broad segments grouped based on company's existing management reporting structure and nature of operations. The Group's business segments are as follows:

(a) Retail and Pawnbroking

This relates to the sale of jewellery to customers at our retail outlets, promotional events and headquarters. It also includes the pawnshop business and the sale of secondhand jewellery.

(b) Wholesale and Exhibitions

In FY2013 and FY2014, this relates to the sale of jewellery to Taka Gold on a wholesale basis. In FY2015, after the Business Acquisition, this relates to the sale of jewellery through the Group's participation in international jewellery exhibitions and trade fairs.

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30. Segment information (cont'd)

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.

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30. Segment information (cont'd)

	Retail and Pawnbroking		Wholesale and Exhibitions		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Segment revenue:						
Sales to external customers	76,411	5,343	5,309	117,919	153,984	123,228
Results:						
Depreciation	(860)	(62)	(101)	(293)	(982)	(394)
Finance costs	(201)	(19)	(21)	(467)	(405)	(488)
Share of profit from associated company	1,143	783	296	–	1,143	296
Profit before taxation	3,711	830	114	9,436	12,679	9,550
Income tax expense					(2,016)	(1,552)
Profit for the financial year					10,663	7,998
Segment assets	78,204	6,000	2,943	117,729	169,769	120,672
Unallocated assets					–	–
Segment liabilities	41,317	1,316	908	56,588	79,914	57,496
Unallocated liabilities ⁽¹⁾					7,779	1,677
Other segmental information:					87,693	59,173
Capital expenditure	523	31	13	942	728	955
Investment in associated company	5,193	1,129	346	–	5,193	346
Non-current assets	9,867	1,689	433	2,956	13,047	3,389

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30. Segment information (cont'd)

(1) The following unallocated liabilities items are added from segment liabilities to arrive at total liabilities reported in the combined balance sheet:-

	2015	Group	2013
	\$'000	2014	\$'000
		\$'000	\$'000
Dividends payable	5,004	–	–
Income tax payable	2,544	2,146	1,648
Deferred tax liabilities	231	83	29
	<u>7,779</u>	<u>2,229</u>	<u>1,677</u>

Geographical information

The above primary segment information reflects the management reporting structure and nature of operations wherein the Group's Retail and Pawnbroking business are carried out locally in Singapore and exhibitions are conducted overseas. The customers of Exhibition sales are primarily overseas customers, while customers of Retail and Pawnbroking sales are a mix of local and overseas customers. Accordingly, further segmentation by geographical market is not meaningful.

Information on major customers

Save as disclosed in the table below, the Group has no single customer accounting for more than 10% of the turnover:

	2015	Group	2013
		2014	
		Percentage of turnover (%)	
Former related parties	–	94.7	94.9

31. Events occurring after the reporting period

On 22 June 2015, the holding company TLV Holdings Pte Ltd was incorporated in Singapore and its principal business activity is that of an investment holding company.

Upon incorporation, the subsidiaries of the Group as described in Note 1 were subsumed into TLV Holdings Limited.

32. Authorisation of financial statements

The audited combined financial statements as at and for the financial years ended 31 March 2013, 2014 and 2015 were authorised by the Board of Directors on 24 August 2015.

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APPENDIX B – GOVERNMENT REGULATIONS

GOVERNMENT REGULATIONS

Singapore

Save as disclosed below for Singapore, our business operations are not subject to any special legislation or regulatory controls other than those generally applicable to companies (including foreign invested enterprises) and businesses incorporated and/or operating in those jurisdictions.

To the best of our Directors' knowledge and belief, we are not in breach of any law or regulation applicable to our business operations that would materially affect our business operations.

1. Regulation of Imports and Exports Act and Regulation of Imports and Exports Regulations

The Regulation of Imports and Exports Act (Chapter 272A) of Singapore (“**RIEA**”) is administered by the Director-General of Customs appointed under section 4(1) of the Customs Act (Chapter 70) of Singapore, and provides for the regulation, registration and control of imports and exports. The relevant regulatory body is the Singapore Customs, which oversees the Regulation of Imports and Exports Regulations (“**RIER**”) for the control of the import, export or transshipment of goods through requirements of permits. As we import and export jewellery and jewellery related products from and to overseas markets respectively, we are subject to the RIEA and the RIER.

Any importer, exporter, shipping agent, air cargo agent, freight forwarder, common carrier or other person who desires to obtain a permit, certificate or any other document or form of approval for any purposes of the RIEA or any regulations made thereunder, the application for which involves a declaration being made, is a “declaring entity”. Under Regulation 35B of the RIER, unless the Director-General of Customs allows in any particular case, no declaration may be made by a declarant for any purpose of the RIEA or any regulations made thereunder unless the declaring entity, the declaring agent and the declarant, are registered by the Director-General of Customs prior to the making of the declaration. An entity which is registered under the former Regulation 37(1) of the RIER in force immediately before 2 April 2013 shall be deemed to have been so registered. The entities within our Group, Taka Singapore, Globe Diamonds, Voi and Lovis are registered with the Singapore Customs as an importer and exporter under the former Regulation 37(1) of the RIER and are therefore a registered declaring entity for the purposes of Regulation 35B of the RIER.

Our registration is not subject to any material conditions or renewal requirements, but may be withdrawn at any time. To the best of their knowledge, our Directors are not aware of any facts or circumstances that could cause our registration as a registered declaring entity for the purposes of Regulation 35B of the RIER to be withdrawn.

2. Goods and Services Tax Act

Goods and Services Tax (“**GST**”) is levied on the supply of goods and services in Singapore and on the importation of goods into Singapore, pursuant to the Goods and Services Tax Act (Chapter 117A) of Singapore (“**GST Act**”) administered by the Inland Revenue Authority of Singapore (“**IRAS**”). The prevailing GST rate is 7% and shall be charged by reference to the value of the goods.

APPENDIX B – GOVERNMENT REGULATIONS

3. Pawnbrokers Act 2015 and Pawnbrokers Rules 2015

The Pawnbrokers Act 2015 and the Pawnbrokers Rules 2015 (“**PAR 2015**”) are administered by the Ministry of Law and govern the operations of pawnbrokers, who are defined as persons who carry on the business of lending money on the security of pledges.

Every pawnbroker is required to apply to the Registrar of Pawnbrokers (“**Registrar**”) for a licence, which is subject to annual renewal, to carry out the business of pawnbroking. If the licensee does not intend to apply to renew its licence, it must inform the Registrar at least one (1) month before the date of expiry of its licence. No pawnbroker shall transfer or assign the benefit of his licence to any other person. The Registrar may grant more than one (1) licence to a person and each licence shall be dated on the day on which it is granted and shall determine on 31 December of each year.

A licence lapses in the event that the licensee goes into liquidation or is wound up under the Companies Act, or where the licensee has not commenced the business of pawnbroking for a continuous period of six (6) months after the grant of or renewal of the licence.

The Registrar may refuse to renew or grant a licence in respect of any applicant or any premises on the following grounds:

- (a) the prescribed fee for the grant or renewal of the licence is not paid;
- (b) the application for the grant or renewal contains materially false or misleading information, or is materially incomplete;
- (c) the applicant does not have a paid-up capital of at least S\$2,000,000 (and for applicants with more than one licensed place of business (whether or not under the same licence), at least S\$1,000,000 for each licensed place of business after the first), or has carried on the business of pawnbroking in Singapore or elsewhere in a way that renders the applicant unfit to hold a licence;
- (d) the proposed place of business is unsuitable for carrying on the business of pawnbroking, or is situated at a location that is unsuitable for carrying on the business of pawnbroking;
- (e) a substantial shareholder of the applicant is a disqualified person, or has carried on the business of pawnbroking in Singapore or elsewhere in a way that renders the applicant unfit to hold a licence;
- (f) a person who is (or is proposed to be) a director or manager of the applicant is, among other qualifications, a disqualified person, or is not of good character, or is not a fit and proper person to carry on the or manage the applicant’s business of pawnbroking; or
- (g) a person who is (or is proposed to be) a manager of the applicant is not ordinarily resident in Singapore or does not possess adequate qualifications or experience for such position.

As of the Latest Practicable Date, two (2) of our retail outlets registered under TCPL have been granted pawnbroking licences from the Registrar.

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In addition, a pawnbroker must obtain an insurance policy for the entire duration of its licence from an insurance company or co-operative society registered under the Insurance Act (Chapter 142) of Singapore and carrying on business in Singapore, for loss of and damage to pledges held in its pawnshop premises.

Pursuant to the Pawnbrokers Act 2015, a pawnbroker must implement adequate programmes and measures to prevent money laundering and terrorism financing. We are also required to perform customer due diligence measures and keep all documents and information obtained pursuant to performing the due diligence measures for a period of five (5) years, failing which we shall be liable on conviction to a fine not exceeding S\$100,000.

Other duties and prohibitions imposed on pawnbrokers pursuant to the Pawnbrokers Act 2015 and the PAR 2015 include:

- (a) to maintain its minimum paid-up share capital;
- (b) not to carry on the business of pawnbroking at any place other than a licensed place of business without written permission from the Registrar;
- (c) to keep each licensed place of business in a suitable condition for carrying on the business of the pawnbroking and to comply with requirements specified by the Registrar;
- (d) to keep such records in relation to its business of pawnbroking and its transactions;
- (e) to submit to the Registrar at intervals as the Registrar may require, statements containing particulars in relation to its business of pawnbroking and its transactions;
- (f) to carry out annual audits of its business;
- (g) to maintain a security deposit of S\$100,000 with the Accountant General which may be forfeited by the Registrar in the event of any breach of the conditions of its licence;
- (h) to notify the Registrar within seven (7) days after it becomes aware that its substantial shareholder, director or manager is or has become a disqualified person within the meaning of the Pawnbrokers Act 2015;
- (i) to notify the Registrar of the appointment of a director or manager of the pawnbroker;
- (j) to notify the Registrar of any person becoming a substantial shareholder of the pawnbroker; and
- (k) to notify the Registrar of any substantial shareholder of the pawnbroker or its holding corporation increasing his substantial shareholding.

Any licensee which fails to comply with any of its statutory duties shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$20,000. Further, where the Registrar finds that a licensee has conducted its business of pawnbroking in an improper or unsatisfactory manner or if the Registrar is satisfied that a licensee is not able to carry on its business of pawnbroking in a proper and satisfactory manner, it may order the licensee to pay a financial penalty not exceeding S\$20,000 for each occurrence of the event, up to a

APPENDIX B – GOVERNMENT REGULATIONS

cumulative maximum of \$100,000 at a time. If the licensee fails to pay any financial penalty ordered, the Registrar may enforce the payment by forfeiting the whole or part of the security deposit placed by the licensee.

4. **Secondhand Goods Dealers Act**

A person who deals in secondhand goods listed under the Schedule of the Secondhand Goods Act is required to obtain a licence issued by the Licensing Officer of the Singapore Police Force before commencing operations. As at the Latest Practicable Date, 16 of our retail outlets under Taka Singapore, three (3) of our retail outlets registered under Lovis and two (2) of our retail outlets registered under TCJPL deal with the following goods listed under the Schedule and is hence subject to the Secondhand Goods Act:

- jewellery set with precious stones including but not limited to diamonds, jade, rubies, sapphires and emeralds;
- jewellery made from platinum, gold and white gold without precious stones; and
- watches.

Pursuant to the Secondhand Goods Dealers (Exemption of Licensed Pawnbrokers) Order, the Secondhand Goods Act does not apply to a secondhand goods dealer who holds a valid licence granted under the Pawnbrokers Act 2015. Each application for a licence or exemption will be based on the location where the dealing in secondhand goods takes place. If the business operations comprise several branches or different points of dealing in secondhand goods (for itinerant businesses), each branch or point of dealing will require a separate licence or exemption (as the case may be).

Further, under the Secondhand Goods Order, a secondhand goods dealer who is a body corporate shall be exempt from having to obtain a licence under the Secondhand Goods Act if the secondhand goods dealer, or any of the members of its board of directors, management committee, board of trustees or other governing body, has not been convicted of any offence under the Secondhand Goods Act or any offence that involves fraud or dishonesty, and the secondhand goods dealer is and remains registered with the Licensing Officer in respect of those particular premises.

As at the Latest Practicable Date, the two (2) retail outlets registered under TCPL have been granted pawnbroking licences from the Registrar pursuant to the Pawnbrokers Act 2015 and are therefore exempted from holding a licence under the Secondhand Goods Act to deal in secondhand goods.

5. **Consumer Protection (Fair Trading) Act**

The Consumer Protection (Fair Trading) Act (Chapter 52A) of Singapore (“**CPFTA**”) protects consumers against unfair practices by suppliers. It is regulated by the Ministry of Trade and Industry, and only applies to a supplier or consumer who is resident in Singapore.

The CPFTA is not a criminal act and businesses that commit unfair trade practices will not be subject to criminal sanction; however, consumers can commence a civil action against the supplier if the claim does not exceed the prescribed limit of S\$30,000.

APPENDIX B – GOVERNMENT REGULATIONS

The CPFTA was amended on 1 September 2012 by the Consumer Protection (Fair Trading) (Amendment) Act 2012 (“**New Lemon Laws**”) to, amongst others, in relation to a contract of sale of goods, give buyers additional rights and remedies against the seller for non-conforming goods. The New Lemon Laws will apply to a contract of sale of goods if the buyer deals as consumer, the goods do not conform to the applicable contract at any time within the period of six (6) months starting from the date on which the goods were delivered to the buyer, and the contract was made on or after 1 September 2012.

Under the New Lemon Laws, the buyer has the right to require the seller to repair or replace the non-conforming goods, and the seller would have to do so at his own costs, within a reasonable time and without causing significant inconvenience to the buyer. If the seller fails to do so or if repair or replacement is impossible or disproportionately costly, the buyer may instead require that the seller reduce the price paid for the goods or may reject the goods altogether and obtain a refund.

6. Consumer Protection (Trade Descriptions and Safety Requirements) Act

The Consumer Protection (Trade Descriptions and Safety Requirements) Act (Chapter 53) of Singapore makes it a criminal offence to make false or misleading trade descriptions about goods or the supply of goods. A person guilty of an offence under this Act shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding two (2) years, or both. This Act is regulated by the Ministry of Trade and Industry.

Trade descriptions include statements about the qualities or features of goods. Further, section 28A of the RIEA provides that any person who imports, exports or tranships any goods and (a) applies or causes to be applied to such goods an incorrect trade description; or (b) has in his possession for sale or for any purpose of trade any such goods to which an incorrect trade description has been applied, shall be guilty of an offence.

7. Sale of Goods Act

The Sale of Goods Act (Chapter 393) of Singapore (“**SGA**”) governs the domestic sale of goods in Singapore and applies to any contract for the sale of goods.

Where there is a sale of goods by description, there is an implied condition that the goods correspond with the description. Where a seller sells goods in the course of a business, the SGA provides that there is an implied condition that the goods are of satisfactory quality. The innocent party’s right to terminate a contract for a breach of condition is a general feature of Singapore contract law. This would mean that a breach of any of the implied conditions imposed by the SGA would entitle the buyer to reject the goods and terminate the contract, even if the consequences of the breach are trivial.

8. Trade Marks Act and Trade Marks Rules

The registration and enforcement of trade marks in Singapore is provided for under the Trade Marks Act (Chapter 332) of Singapore (“**TMA**”) and the Trade Marks Rules (“**TMR**”) administered by the Intellectual Property Office of Singapore (“**IPOS**”).

APPENDIX B – GOVERNMENT REGULATIONS

The TMA and the TMR provide for the application, registration and renewal of trademarks in Singapore. In particular, the Registrar of TradeMarks will refuse to register marks which, among other requirements, are devoid of any distinctive character, or which consist exclusively of signs or indications that may serve to designate the kind, quality, or intended purpose of the goods. A trade mark shall be registered for a period of 10 years from the date of registration, and registration may be renewed for further period of ten years upon payment of a fee. A request for renewal shall be made not later than six (6) months after the date of expiry of the registration.

The TMA also confers onto the proprietors of a registered trade mark the exclusive rights to use the trade mark and authorise other persons to use the trade mark. In the event of an infringement of a registered trade mark, the proprietor of the trade mark may seek relief in court for an injunction, damages, an account of profits, or statutory damages (where the infringement involves the use of a counterfeit trade mark).

9. Registered Designs Act and Registered Designs Rules

The Registered Designs Act (Chapter 266) of Singapore (“**RDA**”) and the Registered Designs Rules (“**RDR**”) govern the registration of registered designs in Singapore. IPOS administers the RDA and the RDR. In order for a design to be registrable, it must fulfil two (2) criteria:

- (1) It must be new and it must not have been registered, disclosed or published anywhere in the world before the registration application.
- (2) It must be industrially applied onto an object. This means that at least 50 copies of the object must be produced or intended to be produced for sale or hire.

Our Group currently 82 registered designs which are registered in Singapore. The initial period of registration is five (5) years from the date of registration, and may be extended for a second or third period of five (5) years, up to a maximum of 15 years. Renewal may be done by applying to the Registrar and paying a prescribed fee, before the expiry of the current period of registration.

The registration of a design under the RDA accords the proprietor exclusive rights to make in Singapore import into Singapore for sale or hire, or for use for the purpose of trade or business, or to sell, hire, or offer or expose for sale or hire in Singapore, any article in respect of which the design is registered. The proprietor may also licence the registered design to a third party. Any infringement of a registered design is actionable by the proprietor of the registered design, and the court may award an injunction, damages or an account of profits as the case may be.

10. Employment of Foreign Manpower Act and Employment of Foreign Manpower (Work Passes) Regulations 2012

The employment of foreign employees in Singapore is governed by the Employment of Foreign Manpower Act (Chapter 91A) of Singapore (“**EMFA**”) and is regulated by the MOM. The EMFA prescribes the responsibilities and obligations of employers of foreign employees in Singapore, and covers any person issued a work pass by the MOM.

Pursuant to section 5(1) of the EMFA, no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the MOM in accordance with the Employment of Foreign Manpower (Work Passes) Regulations 2012

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(“**Work Passes Regulations**”), which allows the foreign employee to work for him. Any person who fails to comply with or contravenes section 5(1) of the EFMA shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction:
 - (i) In the case of an individual, with a fine of not less than S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; or
 - (ii) In any other case, be punished with a fine of not less than S\$20,000 and not more than S\$60,000.

As we employ foreign workers from Malaysia, People’s Republic of China, Indonesia, the Philippines and Myanmar, we are subject to the EFMA and the Work Passes Regulations. We have applied for the relevant work passes from the MOM for all of our foreign employees. To the best of our Directors’ knowledge, we have complied with the requirements of the EFMA and the Work Passes Regulations and the conditions of such work passes.

The availability of the foreign workers for the services sector is also regulated by the MOM through the following policy instruments:

- (a) Approved source countries;
- (b) The imposition of security bonds and levies; and
- (c) Dependency ceilings based on the ratio of local to foreign workers.

An employer of foreign workers is also subject to, amongst others, the provisions set out in the Employment Act (Chapter 91) of Singapore, the Immigration Act (Chapter 133) of Singapore and the regulations issued pursuant to the Immigration Act.

11. PDPA

The PDPA governs the collection, use and disclosure of individuals’ personal data by organisations. The PDPA also established the Personal Data Protection Commission (“**PDPC**”) to administer and enforce the PDPA.

An organisation is required to comply with the following obligations prescribed by the PDPA:

- (a) obtain the consent of the individual before collecting, using, or disclosing his personal data, for purposes that a reasonable person would consider appropriate in the circumstances;
- (b) notify the individual of the purpose of collecting his personal data;
- (c) only use personal data for purposes consented by the individual;
- (d) put in place mechanisms for individuals to withdraw their consent;

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- (e) take reasonable efforts to ensure that personal data collected is accurate and complete if the personal data is likely to be used to make a decision that affects the individual, or is likely to be disclosed to another organisation;
- (f) when requested, correct any error or omission in an individual's personal data;
- (g) upon an individual's request, provide an individual with his personal data in the organisation's possession and control, as well as information about the ways in which the personal data has been used or disclosed in the past year;
- (h) protect personal data by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;
- (i) cease to retain personal data as long as it is reasonable to assume that:
 - (i) the purpose for which it was collected is no longer being served by retaining it; and
 - (ii) the retention is no longer necessary for business or legal purpose;
- (j) not to transfer any personal data out of Singapore except in accordance with the requirements set out in the PDPA; and
- (k) implement the necessary policies and practices in order to meet its obligations under the PDPA and make information about its policies and practices available on request.

If the PDPC finds that an organisation is not complying with any provision in the PDPA, it may give the organisation all or any of the following directions:

- (a) to stop collecting, using or disclosing personal data in contravention of the PDPA;
- (b) to destroy personal data collected in contravention of the PDPA;
- (c) to comply with any direction of the PDPC to provide access to or correct the personal data; or
- (d) to pay a financial penalty of such amount not exceeding \$1 million.

In addition to the obligations above, the PDPA also established a Do-Not-Call Registry ("**DNC Registry**") which allows individuals to register their Singapore telephone numbers in any of the three Do-Not-Call Registers ("**DNC Register**") to opt out of receiving marketing phone calls, mobile text messages, and faxes from organisations.

An organisation must put in place work flow to check whether an individual has listed his phone number on the relevant DNC Register. No person shall send a "specified message" addressed to a Singapore telephone number unless it has been confirmed that the number is not listed on the relevant DNC Register. A "specified message" is one that, among others, purports to offer to supply or advertise or promote goods and services. Any person who contravenes this provision shall be guilty of an offence and shall be liable to a fine not exceeding \$10,000.

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Malaysia

The following contains is a summary of certain material provisions of Malaysian law in effect as of the Latest Practicable Date that may apply to Taka Malaysia. This summary does not purport to be a complete review of all laws in Malaysia that are applicable to Taka Malaysia.

1. Foreign Participation in Distributive Trade

The distributive trade sector in Malaysia falls under the supervision of the Ministry of Domestic Trade, Co-operatives and Consumerism (“**Ministry**”) through its Committee on Distributive Trade. The Committee was set up in 1995 to regulate and supervise the industry, including foreign participation in wholesale and retail trade in Malaysia. The Ministry has periodically developed and issued guidelines for the purpose of setting out the policy on foreign participation in distributive trade. The latest guidelines are the Guidelines on Foreign Participation in the Distributive Trade Services Malaysia 2010 (“**Guidelines**”), which is a revision of its predecessor guidelines issued in 2004. The objective of the Guidelines is to ensure, among others, an orderly and fair development of industry, while ensuring the growth of the local business.

Under the Guidelines, “distributive trade” comprises all linkage activities that channel goods and services down the supply chain to intermediaries for resale or final buyers. Distributive traders include wholesaler, retailers, franchise practitioners, direct sellers, suppliers, who channel their goods in the domestic market and commission agents or other representatives including those of international trading companies.

The Guidelines provide that all foreign involvements in the distributive trade activities in Malaysia are required to obtain the prior approval from the Ministry with effect from 6 January 2010. These include:

- (a) acquisition of interest;
- (b) merger and/or take over involving foreign participation;
- (c) opening of new branches, outlets or chain stores;
- (d) relocation of branches, outlets or chain stores;
- (e) expansion of existing branches, outlets or chain stores;
- (f) buying over/taking over of outlets of other operators; and
- (g) purchase and sale of properties to operate distributive trade activities prior to obtaining the approval/licence from local authorities and other agencies to operate distributive trade activities.

In addition, all distributive trade companies with foreign equity shall be subjected to, among others, the following general conditions:

- (a) to appoint Bumiputera (i.e., indigenous Malays and other ethnic groups) director(s);
- (b) to hire personnel at all levels including management to reflect the racial composition of the Malaysian population;

APPENDIX B – GOVERNMENT REGULATIONS

- (c) to formulate clear policies and plans to assist Bumiputera participation in the distributive trade industry;
- (d) to increase the utilisation of local airports and ports in the export and import of the goods;
- (e) to hire at least 1% of the total hypermarket workforce from persons with disabilities;
- (f) to utilise local companies for legal and other professional services which are available in Malaysia;
- (g) to submit annual financial reports to the Ministry; and
- (h) to comply with all by-laws and regulations of the local authorities.

Furthermore, the Guidelines also set out specific rules and conditions to govern and regulate aspects of distributive trade businesses such as local incorporation and minimum capital requirements, equity structures, operational, environmental and public interest conditions for the operation of such distributive trade businesses. These rules and conditions vary according to the type of distribution stores used by the distributive trade business.

The Ministry may, from time to time, modify the Guidelines to introduce new policies to further liberalise the regulatory environment in the distributive trade industry so as to be in line with Government policy to attract foreign direct investment in Malaysia. Please note that the Guidelines are only a reflection of governmental policy and are not enacted as law under any legislation passed by the Malaysian Parliament or subordinate legislation made pursuant to any statute. Accordingly, the Guidelines are not law and have no sanctioning provisions or statutory penalties imposed for non-compliance with the Guidelines. Nevertheless, they can be enforced administratively through various statutory bodies, governmental departments or agencies exercising a regulatory role in granting of licences, approvals and permits required for the operation of a business in Malaysia. For example, any non-compliance may affect applications for other licences or dealings with, or result in the revocation of existing licences required for the operation of business in Malaysia by, other statutory bodies, governmental departments or agencies.

2. Business Premise Licences and Signboard Licences

Under the Local Government Act 1976, business premise licence and signboard licence are issued by the respective local authorities (i.e., city council, municipal council or district council) and these licences, which need to be applied for, depend on the nature of the business activity. As at the Latest Practicable Date, there are 149 local authorities which consist of 12 city halls, 39 municipal council and 98 district council in Malaysia and the requirements for the application of these licences may vary according to each local authority. Hence, the operator of distributive trade stores would have to check with the respective local authorities where its stores are located. These licences are normally valid for a period of one (1) year, and may be renewed as and when it expires.

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Hong Kong

The following contains is a summary of certain material provisions of Hong Kong law in effect as of the date hereof that may apply to us. This summary does not purport to be a complete review of all laws in Hong Kong that are applicable to us.

Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong)

We regularly handle the import and export of articles to and from Hong Kong. Such activities are mainly regulated by the Import and Export Ordinance (“**IEO**”). The IEO provides regulation and control of the import of articles into Hong Kong, the export of articles from Hong Kong, and the handling and carriage of articles imported into Hong Kong or which may be exported from Hong Kong.

The general requirement is that persons who import/export any goods into Hong Kong are required to lodge with the Customs and Excise Department an import/export declaration within 14 days after the importation/exportation of the goods. Certain documents need to be presented for customs clearance, including import/export licence (if required), bill of lading or similar documents, invoice, packing list, etc.

Under the IEO, customs officers are granted certain powers in order to carry out their duties. They are given various powers in relation to the investigation, examination, and seizure of goods.

Past Corporate Secretarial Irregularities in relation to Taka HK

Taka HK had previously breached certain provisions of the predecessor Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as a result of:

- (a) late filing of the prescribed form for the removal of the auditors of Taka HK on June 2014 (the “**Late Filing**”); and
- (b) failure to comply with the prescribed procedures (in particularly, sending (or reading out at the general meeting) the written statement made by the auditors concerned) in connection with the removal of the auditors of Taka HK on June 2014 (“**Written Statement Breach**”),

(collectively, the “**HK Corporate Secretarial Breaches**”).

As at the Latest Practicable Date, Taka HK has already made the Late Filing. The Written Statement Breach cannot be retrospectively cured. Should the Companies Registry of Hong Kong fine or penalise Taka HK and its officers, Taka HK and every officer of Taka HK who is in default shall be subject to a fine of HK\$10,000 and, in the case of a continuing offence, to a further daily fine of HK\$300 during which the offence continues (in respect of Late Filing) and subject to a fine of HK\$50,000 (in respect of the Written Statement Breach).

Each of Mr Michael Teo and Mr Ang Kah Leong has undertaken to pay all penalties or fines if they are imposed by the Companies Registry of Hong Kong for the HK Corporate Secretarial Breaches (collectively the “**HK Fines**”). Taka Singapore has undertaken to procure that Taka HK pays such HK Fines, or failing such payment by Taka HK, pay such HK Fines on behalf of Taka HK.

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United Arab Emirates

The following contains a summary of certain material provisions of UAE law in effect as of the date hereof that may apply to Taka Dubai. This summary does not purport to be a complete review of all laws in UAE that are applicable to Taka Dubai.

1. Trade License

Under Article 11 (Conducting the Activity) of the Federal Law No. 2 of 2015 concerning Commercial Companies (“**New Commercial Companies Law**”), a company that conducts activities in the UAE “shall obtain all the approvals and licences as required for the activity to be conducted by the company in the UAE prior to commencing its activity”.

Please refer to the section entitled “General Information of our Group – Approvals, Licences and Government Regulations” of this Offer Document for the list of licences obtained by Taka Dubai in respect of its business operations.

2. Federal Law No. 8 of 1984 & Federal Law No. 2 of 2015 concerning Commercial Companies

Federal Law No. 8 of 1984 as amended (“**Commercial Companies Law**”) provides for rules in relation to companies, including rules on incorporation of a company, shares and capital, management of a company and liquidation and winding up of a company.

The New Commercial Companies Law came into force on 1 July 2015, replacing the existing Commercial Companies Law. Under the terms of the New Commercial Companies Law, all commercial companies are required to amend their existing memoranda and articles of association to reflect, and comply with, the changes introduced by New Commercial Companies Law by 30 June 2016. Any companies that fail to make the required amendments to their memoranda and articles of association will be automatically dissolved.

3. Federal Law 18 of 1993

Federal Law No. 18 of 1993 as amended (Commercial Code) governs commercial acts in general. Amongst others, the code includes rules on the commercial books, unlawful competition and commercial sales. The code also governs the granting of security which means that if in the future a company wishes to grant any security to third parties, the rules in the code must be observed.

4. Federal Law No. 8 of 1980

Federal Law No. 8 of 1980 as amended (Labour Law) regulates employment contracts. Any employees of a company in Dubai will be entitled to the rights provided for in therein and a company must comply with the minimum requirements set out in therein.

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides a summary of the principal objects of our Company as set out in our Memorandum of Association and certain provisions of our Articles of Association and the laws of Singapore. This discussion is only a summary and is qualified by reference to Singapore law and our Memorandum and Articles of Association.

MEMORANDUM OF ASSOCIATION AND REGISTRATION NUMBER

We are registered in Singapore with the Registrar of Companies and Businesses. Our company registration number is 201526542C. Our Memorandum of Association sets out the objects for which our Company was formed, including taking, or otherwise acquiring, and holding shares, debentures, or other securities of any other company.

SUMMARY OF OUR ARTICLES OF ASSOCIATION

1. Directors

(a) Ability of interested directors to vote

Article 109(1)

Other than the office of auditor, a Director may hold any other office or place of profit in the Company and he or any firm of which he is a member or any company of which he is a Director or shareholder may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Companies Act, no Director or intending Director shall be disqualified by his office from transacting or entering into any arrangement with the Company whether as vendor, purchaser, lessor, lessee, mortgagor, mortgagee, manager, agent, broker or otherwise howsoever nor shall such transaction or arrangement or any transaction or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested whether directly or indirectly be avoided nor shall any Director so transacting or being so interested be liable to account to the Company for any profit realised by any such transaction or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established provided always that he has complied with the requirements of Section 156 of the Companies Act as to disclosure.

Every Director shall observe the provisions of Section 156 of the Companies Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. Notwithstanding such disclosure, a Director shall not vote in regard to any transaction or proposed transaction or arrangement in which he has directly or indirectly a personal material interest although he shall be taken into account in ascertaining whether a quorum is present.

Article 110

A Director may be or become a director of, or hold any office or place of profit (other than as auditor), or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and such Director shall

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

not be accountable for any fees, remuneration or other benefits received by him as a Director or officer of, or by virtue of his interest in such other company unless the Company otherwise directs.

Subject always to Article 109, the Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

(b) Remuneration

Article 106

The fees of the Directors shall be determined from time to time by the Company in general meetings and such fees shall (unless such resolution otherwise provides) not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside the scope of his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.

The remuneration (including any remuneration under this Article 106) in the case of a Director other than an Executive Director shall comprise: (i) fees which shall be a fixed sum and/or (ii) such fixed number of shares in the capital of the Company, and shall not at any time be by commission on, or percentage of, the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on, or percentage of turnover.

Article 107

The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company, in the course of the performance of their duties as Directors.

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

Article 121

A chief executive officer (or any person holding an equivalent appointment) shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profit, or partly in one way and partly in another) as the Directors may determine; but he shall not under any circumstance be remunerated by a commission on or a percentage of turnover.

Article 136

An alternate director shall be entitled to contract and be interested in and benefit from contracts and arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. Any fee paid to an alternate director shall be deducted from the remuneration otherwise payable to his appointor.

(c) *Borrowing powers*

Article 125

Subject to the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company and the provisions of these Articles, the Directors may at their discretion exercise all powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any of the property or business of the Company including any uncalled or called but unpaid capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(d) *Retirement age limit*

Article 105

A Director need not be a shareholder and shall not be required to hold any share, but subject to the provisions of the Companies Act he shall not be of or over the age of 70 years at the date of his appointment.

Article 112(h)

Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated subject to the provisions of the Companies Act at the conclusion of the annual general meeting commencing next after he attains the age of 70 years (or such other maximum age limit for directors of public companies (if any) as may be prescribed by the Companies Act from time to time).

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

(e) Shareholding qualification

Article 105

A Director need not be a shareholder and shall not be required to hold any share, but subject to the provisions of the Companies Act he shall not be of or over the age of 70 years at the date of his appointment.

Article 138

An alternate director shall not be required to hold any share qualification.

2. Share rights and restrictions

The Company currently has only one class of shares, namely ordinary shares.

(a) Dividends and distribution

Article 160

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted by the Companies Act, (a) all dividends shall be declared and paid in proportion to the number of shares held by a shareholder but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. For the purposes of this Article, no amount paid or credited as paid on a share in advance of a call shall be treated as paid on the share.

Article 162

The Directors may, with the sanction of an ordinary resolution at a general meeting, from time to time declare dividends, but no such dividend shall (except as by the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company expressly authorised) be payable otherwise than out of the profits of the Company. No higher dividend shall be paid than is recommended by the Directors and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive. The Directors may, if they think fit, and if in their opinion the profits of the Company justifies such payment, without any such sanction as aforesaid, from time to time declare and pay fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends of such amounts and on such dates as they may think fit.

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

Article 168

The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

Article 93

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, each shareholder entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

On a show of hands every shareholder who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote provided that if a shareholder is represented by two or more proxies, without prejudice to specific terms of Article 98 only one of the proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the proxies as determined by the Chairman (or by a person authorised by him) shall vote on a show of hands and on a poll, every shareholder who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents.

Article 95

If two (2) or more persons are jointly entitled to a share then any one of such persons may vote and be reckoned in a quorum at a meeting, whether in person or by proxy, but if more than one of such persons is present at a meeting, then in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be). Several executors or administrators of a deceased shareholder in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

Article 98(1)

A shareholder may appoint more than two proxies to attend and vote at the same general meeting. A proxy or attorney need not be a shareholder.

(c) Calls on shares

Article 39

The Directors may from time to time, as they think fit, make calls upon the shareholders in respect of any moneys unpaid on their shares or on any class of their shares and not by the conditions of the issue and allotment thereof made payable at fixed times; and

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

each shareholder shall (subject to his having been given at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine.

(d) *Transfer of shares*

Article 23

Subject to the restrictions of these Articles any shareholder may transfer all or any of his shares, but every instrument of transfer of the legal title in shares must be in writing and in the usual common form, or in any other form which the Directors and the SGX-ST may approve, and must be left at the registered office of the Company for registration, accompanied by the certificate of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor, or his right to transfer the shares.

3. Change in capital

(a) *Power to issue shares*

Article 67

The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the SGX-ST, all new shares shall before issue be offered to such shareholders as are, at the date of the offer, entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares), in the opinion of the Directors, cannot be conveniently offered under this Article.

(b) *Power to consolidate, cancel and subdivide shares*

Article 70(1)

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its shares;

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

- (b) subdivide its shares or any of them (subject nevertheless to the provisions of the Companies Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its capital by the amount of the shares so cancelled; or
 - (d) subject to the provisions of these Articles and the Companies Act, convert any class of paid-up shares into any other class of paid-up shares.
- (c) *Power to purchase or acquire shares*

Article 70(2)

Subject to and in accordance with the provisions of the Companies Act, the listing rules of the SGX-ST and any applicable legislation or regulation, the Company may authorise the Directors in general meeting to purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms on such terms as the Company may think fit and in the manner prescribed by the Companies Act. The Company may deal with any such share which is so purchased or acquired by the Company in such manner as may be permitted by, and in accordance with, the Companies Act (including without limitation, to hold such share as a treasury share).

- (d) *Power to reduce share capital*

Article 71

The Company may reduce its share capital or any undistributable reserve in any manner, subject to any requirements and consents required by law. Without prejudice to the foregoing, upon cancellation of shares purchased or otherwise acquired by the Company pursuant to these Articles and the Companies Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

4. Variations of rights of existing shares or classes of shares

- (a) *Creation or issue of further shares with special rights*

Article 8

Without prejudice to any special rights or privileges attached to any then existing shares, any new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto, as the Company by ordinary resolution may direct, or, if no such direction be given, as the Directors shall determine, and in

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

particular such shares may be issued with preferential, qualified or deferred right to dividends and in the distribution of assets of the Company, and with a special or restricted right of voting, and any preference share may be issued on the terms that it is, or at the option of the Company is, to be liable to be redeemed. The rights attached to any such shares issued upon special conditions shall be clearly defined in these Articles.

Article 9

Preference shares may be issued subject to such limitation thereof as may be prescribed by law or by the listing rules of the SGX-ST. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears. In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares.

The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

(b) Variation of rights

Article 10

If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class and to every such special resolution the provisions of Section 184 of the Companies Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

Article 11

The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned provided always that where the necessary majority for such a special resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

5. Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement operates

Article 171

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable. For the avoidance of doubt no shareholder shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever.

6. Any limitation on the right to own shares, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares

There are no limitations imposed by Singapore law or by our Articles on the rights of our Shareholders who are regarded as non-residents or foreigners of Singapore, to hold, or vote in respect of, their Shares.

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APPENDIX D – TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of the current tax laws of Singapore, United Arab Emirates, Hong Kong and Malaysia and administrative guidelines issued by the relevant authorities in force as of the date of this Offer Document and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of our Shares or of any person acquiring, selling or otherwise dealing with our Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of our Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective Shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of our Shares.

The statements below are based on the basis that our Company is tax resident in Singapore for Singapore income tax purposes. It is emphasised that neither our Company nor any other persons involved in this Offer Document accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

SINGAPORE TAX

Corporate income tax

Singapore imposes tax on a modified territorial basis i.e. income is subject to tax only when it is accrued in or derived from Singapore (i.e. Singapore-sourced) and when it is received in Singapore from outside Singapore (i.e. foreign-sourced income received or deemed received in Singapore). This applies to both resident and non-resident companies.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on foreign-sourced income received or deemed received in Singapore, unless otherwise exempted. Foreign-sourced income in the form of branch profits, dividends and service fee income (“**specified foreign income**”) received or deemed received in Singapore by a Singapore tax resident company are exempted from Singapore tax provided that the following qualifying conditions are met:

- (a) such income is subject to tax of a similar character to income tax under the law of the territory from which such income is received;
- (b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%; and
- (c) the Comptroller of Income Tax (the “**Comptroller**”) is satisfied that the tax exemption would be beneficial to the company.

APPENDIX D – TAXATION

A company is regarded as a tax resident in Singapore if the control and management of the company's business is exercised in Singapore. In general, control and management of the company is vested in its board of directors and the place of residence of the company is generally where its directors meet.

The prevailing corporate income tax rate in Singapore is 17% with the first S\$300,000 of chargeable income of a company being partially exempt from tax as follows:

- (a) 75% of the first S\$10,000 of chargeable income; and
- (b) 50% of the next S\$290,000 of chargeable income.

Individual income tax

An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Individual tax payers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller is satisfied that the exemption would be beneficial to the individual.

Currently, a Singapore tax resident individual is taxed at progressive rates ranging from 0% to 20% and is entitled to claim deductions for personal reliefs. A non-resident individual, subject to certain exceptions and conditions, is subject to Singapore income tax on employment income accruing in or derived from Singapore at a flat rate of 15% or at tax resident rates, whichever is higher. Other Singapore-sourced personal investment income such as rental income is taxable to a non-resident at a flat rate of 20%.

The maximum progressive tax rate for Singapore tax resident individual and the flat rate for Singapore-sourced personal investment income derived by a non-resident will be raised to 22% from year of assessment 2017 (calendar year 2016).

Dividend Distributions

With effect from 1 January 2008, all Singapore-resident companies are under the one-tier corporate tax system ("**one-tier system**").

Dividends received in respect of our Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax on the basis that our company is a tax resident of Singapore.

Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore-resident company are tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

APPENDIX D – TAXATION

Gains on disposal of Shares

Singapore does not impose tax on capital gains. Gains arising from the disposal of our Shares should not be taxable in Singapore unless the seller is regarded as having derived gains of an income nature. The determination of whether the gains from disposal of shares in a company are income or capital in nature is based on a consideration of the facts and circumstances of each case.

Gains derived from the disposal of ordinary shares by companies during the period from 1 June 2012 to 31 May 2017 (both dates inclusive) will be exempt from tax in Singapore (the “**Tax Certainty Rules**”), if immediately prior to the date of disposal:

- the divesting company legally and beneficially owns at least 20% of the ordinary shares in the investee company; and
- the divesting company maintains the minimum 20% ordinary shareholding for a minimum period of at least 24 months prior to the date of disposal.

The Tax Certainty Rules do not apply to the disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development) or disposal of shares where the gains or profits of which are included as part of the income of a company referred to in Section 26 of the Income Tax Act, Chapter 134 of Singapore (which applies generally to insurers) or disposal of shares by a partnership, limited partnership or limited liability partnership one or more of the partners of which is a company or are companies. To avail of the exemption, the company must furnish the requisite information in its income tax return for the year of assessment relating to the basis period in which the disposal of ordinary shares is made. Supporting documents must be submitted only upon request.

Shareholders who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of our Shares is made.

Shareholders who may be subject to this tax treatment should consult their accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Where our Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of their transfer at the rate of 0.2% of the consideration for, or market value of, our Shares, whichever is higher.

Stamp duty is not applicable however to electronic transfers of our Shares through the scripless trading system operated by CDP.

APPENDIX D – TAXATION

Goods and Services Tax (“GST”)

The sale of our Shares by an investor belonging in Singapore to another person belonging in Singapore or through a SGX-ST member is an exempt supply not subject to GST. Any input GST (for example, GST on brokerage) incurred by the investor in connection with the making of this exempt supply is generally not recoverable and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or by the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at a zero rate (i.e. 0%). Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in making this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor’s purchase or sale of our Shares will be subject to GST at the prevailing rate (currently 7%). Similar services rendered contractually to an investor belonging outside Singapore are subject to GST at zero-rate provided that the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

Estate duty

With effect from 15 February 2008, Singapore estate duty has been abolished.

MALAYSIAN TAXATION

The following discussion describes the material Malaysian tax on dividend and tax on gains from sale:

Dividend Distributions

(a) Dividend distributions

Under Malaysian tax law, income tax is charged on income accruing in or derived from Malaysia or received in Malaysia from outside Malaysia. Prior to January 2014, dividends paid or credited out of Section 108 Account by a company which is tax resident in Malaysia (“**Malaysian resident company**”) would be deemed to be derived from Malaysia and are thus not taxable in Malaysia under the single Tier System.

Prior to 1 January 2011, Malaysia adopted the imputation system which required the imposition of tax on the profit at corporate level and again at shareholders level. The principle behind the imputation system is to overcome the double taxation of income. Under the imputation system, companies resident in Malaysia are required to deduct tax at source at the prevailing corporate tax rate on dividends paid to their shareholders. The same income would be taxed twice if the credit is not imputed to the shareholders.

APPENDIX D – TAXATION

The single-tier tax system was introduced in Budget 2011 to replace the imputation system with effect from year of assessment 2011. Under this system, corporate income is taxed at corporate level and this is a final tax. Dividends distributed to the shareholders are tax-exempted in their hands.

Resident companies are currently taxed at the rate of 25% (reduced to 24% with effect from YA 2016) while those with paid-up capital of RM2.5 million or less¹ are taxed at the following scale rates:

Chargeable income	Current tax rate	YA 2016
The first RM500,000	20%	19%
In excess of RM500,000	25%	24%

Note:

- (1) The companies must not be part of a group of companies where any of their related companies have a paid-up capital of more than RM2.5 million

Gains on Disposal of the Shares in a Malaysian company

There is no capital gains tax in Malaysia except for real property gains tax (“RPGT”) which is charged upon gains arising from the disposal of real property in Malaysia or shares in a real property company incorporated in Malaysia. A real property company is defined as:

- (a) a controlled company which, as at 21 October 1988, owns real property or shares or both, the defined value of which is not less than seventy-five percent of the value of its total tangible assets; or
- (b) a controlled company to which subparagraph (a) is not applicable, but which, at any date after 21 October 1988, acquires real property or shares or both whereby the defined value of real property or shares or both owned at that date is not less than seventy-five percent of the value of its total tangible assets.

Any gains from the sale of shares in a Malaysian company by a person who deals in shares may be regarded as income and is subject to income tax under the Malaysia Income Tax Act, 1967.

HONG KONG TAXATION

The following discussion describes the material tax implications in Hong Kong on dividend and tax on gains from sale:

Dividends Distributions

There is no profits tax or withholding tax payable in respect of dividends paid by Taka HK, as Hong Kong does not impose a tax on dividend income.

APPENDIX D – TAXATION

Gains on Disposal of the Shares in a Hong Kong company

(a) Profits Tax

Hong Kong profits tax is chargeable against the person who is carrying on a trade, business or profession in Hong Kong in respect of his profits arising in or derived from Hong Kong from such trade, profession or business. The prevailing profits tax rate is 16.5%. Gains from the sale of assets acquired and held for trading purposes are taxable in Hong Kong. Gains from the sale of capital assets are not subject to Hong Kong profits tax. Whether the gain from the sale by a Singapore company of the shares it holds in the Hong Kong subsidiary is capital or revenue in nature is a question of fact.

(b) Stamp Duty

Hong Kong stamp duty will be payable by the purchaser on every purchase, and by the seller on every sale, of shares registered on the Hong Kong register of members. The duty is charged at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the shares transferred on each of the seller and purchaser. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of shares.

In addition, any instrument of transfer (if required) will be subject to a flat rate of stamp duty of HK\$5.00.

Where a sale or purchase of shares registered on the Hong Kong register of members is effected by a person who is not resident in Hong Kong and any stamp duty payable on the contract note is not paid, there shall be charged on the instrument of transfer, in addition to the stamp duty otherwise chargeable thereon, stamp duty equal to the amount of the stamp duty so payable in respect of such sale or purchase and the transferee shall be liable to pay such duty.

UNITED ARAB EMIRATES (“UAE”) TAXATION

The following discussion describes the material tax implications in the UAE on dividend distributions and tax on gains from sale:

Dividends Distributions

There is no profits tax or withholding tax payable in respect of dividends paid by the Taka Dubai, as the UAE does not impose a tax on dividend income on both mainland companies (i.e. UAE resident companies that are not established in a free zone), nor free zone companies. Furthermore, the UAE does not levy any personal income tax from its residents or nationals.

Gains on Disposal of the Shares in a UAE company

There is no profits tax or stamp duty payable on the disposal of shares in the UAE.

APPENDIX E – INTELLECTUAL PROPERTY

Trade Marks

As at the Latest Practicable Date, we have registered the following trademarks:

Trademark	Registration Number	Class ^(A)	Place of Registration	Expiry date
TAKA JEWELLERY	T0500864J	14 ⁽²⁾	Singapore	25 January 2025
TAKA JEWELLERY	T0500865I	35 ⁽³⁾	Singapore	25 January 2025
TAKA JEWELLERY	T0500866G	42 ⁽⁴⁾	Singapore	25 January 2025
	T0500857H	14 ⁽²⁾	Singapore	25 January 2025
	T0500861F	35 ⁽³⁾	Singapore	25 January 2025
	T0500862D	42 ⁽⁴⁾	Singapore	25 January 2025
	T0907359E	14 ⁽⁵⁾ , 42 ⁽⁶⁾	Singapore	3 July 2019
	300404432	14 ⁽⁷⁾ , 35 ⁽⁸⁾ , 42 ⁽⁹⁾	Hong Kong	17 April 2025
	300404441	14 ⁽⁷⁾ , 35 ⁽⁸⁾ , 42 ⁽⁹⁾	Hong Kong	17 April 2025
TAKA JEWELLERY	05006050	35 ⁽¹⁰⁾	Malaysia	20 April 2025
	05006053	35 ⁽¹⁰⁾	Malaysia	20 April 2025

APPENDIX E – INTELLECTUAL PROPERTY

Trademark	Registration Number	Class ^(A)	Place of Registration	Expiry date
	05006054	14 ⁽¹¹⁾	Malaysia	20 April 2025
	05006052	42 ⁽¹²⁾	Malaysia	20 April 2025
TAKA JEWELLERY	05006051	14 ⁽¹¹⁾	Malaysia	20 April 2025
TAKA JEWELLERY	05006049	42 ⁽¹²⁾	Malaysia	20 April 2025

Notes:

- (A) “Class” refers to the specification of goods and services under the International Classification of Goods and Services by the World Intellectual Property Organisation.
- (1) Class 14, Singapore: Jewellery.
- (2) Class 14, Singapore: Jewellery; bracelets, chains, rings, necklaces, trinkets, pearls, brooches; all being jewellery; tie pins; tie clips; earrings; diamonds; precious stones; horological and chronometric instruments; all included in class 14.
- (3) Class 35, Singapore: The bringing together, for the benefit of others, of a variety of jewellery (including but not restricted to diamond and semi-precious gem stone products such as bracelets, chains, earrings, pendants etc), enabling customers to conveniently view and purchase those products.
- (4) Class 42, Singapore: Design of jewellery and ornaments; design of packaging for jewellery, ornaments and precious or semi-precious gem stones; gemological services; professional consultancy and advisory services relating to the design of jewellery and ornaments; scientific research and gemological analysis of jewellery and ornaments, precious metal and precious stones; all included in class 42.
- (5) Class 14, Singapore: Brooches (jewellery); chains (jewellery); gold jewellery; jewellery; jewellery chain; jewellery containing gold; jewellery fashioned of cultured pearls; jewellery fashioned of semi-precious stones; jewellery for personal wear; jewellery incorporating diamonds; jewellery incorporating pearls; jewellery items; jewellery made from gold; jewellery made of precious stones; pearls (jewellery); pendants (jewellery); precious jewellery; ring bands (jewellery); rings (jewellery).
- (6) Class 42, Singapore: Design of jewellery; jewellery design services.
- (7) Class 14, Hong Kong: precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
- (8) Class 35, Hong Kong: Advertising; business management; business administration; office functions.
- (9) Class 42, Hong Kong: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.
- (10) Class 35, Malaysia: Advertising; business management; business administration; office functions.
- (11) Class 14, Malaysia: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
- (12) Class 42, Malaysia: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.

APPENDIX E – INTELLECTUAL PROPERTY

Registered Designs

As at the Latest Practicable Date, we have registered the following designs:

Registration Number	Class/Sub-Class No.	Place of Registration	Expiry date
D2009104J	11-01 ⁽¹⁾	Singapore	6 February 2024
D2009105G	11-01 ⁽¹⁾	Singapore	6 February 2024
30201500801Y	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500802T	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500806R	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500807P	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500808Q	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500809W	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500810P	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500811S	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500813W	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500815Y	11-01 ⁽¹⁾	Singapore	18 May 2020
30201500816X	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500817V	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500819R	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500820R	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500822X	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500823Q	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500824T	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500828Y	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500829P	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500830T	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500834X	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500835W	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500836Q	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500837S	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500838U	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500839Y	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500840W	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500841P	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500842Y	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500844Q	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500845U	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500846T	11-01 ⁽¹⁾	Singapore	19 May 2020

APPENDIX E – INTELLECTUAL PROPERTY

Registration Number	Class/Sub-Class No.	Place of Registration	Expiry date
30201500847X	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500849S	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500850S	11-01 ⁽¹⁾	Singapore	19 May 2020
30201500851V	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500852W	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500854R	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500856Y	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500857U	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500858X	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500859Q	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500860V	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500861Q	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500862R	11-01 ⁽¹⁾	Singapore	20 May 2020
30201500891W	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500892U	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500893P	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500895X	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500896S	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500897T	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500898R	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500899V	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500900Y	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500901T	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500902S	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500903X	11-01 ⁽¹⁾	Singapore	22 May 2020
30201500922R	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500924P	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500925T	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500926U	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500927Y	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500928W	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500939Q	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500947T	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500948R	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500949V	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500950U	11-01 ⁽¹⁾	Singapore	4 June 2020
30201500951X	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500952V	11-01 ⁽¹⁾	Singapore	5 June 2020

APPENDIX E – INTELLECTUAL PROPERTY

Registration Number	Class/Sub-Class No.	Place of Registration	Expiry date
30201500953Y	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500954W	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500955R	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500956P	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500957Q	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500960T	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500961R	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500962P	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500963V	11-01 ⁽¹⁾	Singapore	5 June 2020
30201500964X	11-01 ⁽¹⁾	Singapore	5 June 2020
0901183.6M001	Locarno Classification No. 11-01 ⁽²⁾	Hong Kong	26 July 2019
0900183.6M002	Locarno Classification No. 11-01 ⁽²⁾	Hong Kong	26 July 2019

Notes:

- (1) “Class” refers to the specification of the types of articles as presented in the Locarno Classification for Industrial Designs. The class/sub-class 11-01 covers jewellery.
- (2) “Locarno Classification” refers to an international classification system for industrial designs. It is administered by the World Intellectual Property Organization. The class/sub-class 11-01 covers jewellery.

As at the Latest Practicable Date, we have also submitted applications in respect of the designs set out in the table below:

Application Number	Class/Sub-Class No.	Place of Application	Application Date
30201500814U	11-01 ⁽¹⁾	Singapore	22 April 2015
30201500818T	11-01 ⁽¹⁾	Singapore	23 April 2015
30201500831R	11-01 ⁽¹⁾	Singapore	23 April 2015
30201500832P	11-01 ⁽¹⁾	Singapore	23 April 2015
30201500833V	11-01 ⁽¹⁾	Singapore	23 April 2015

Note:

- (1) “Class” refers to the specification of the types of articles as presented in the Locarno Classification for Industrial Designs. The class/sub-class 11-01 covers jewellery.

As at the Latest Practicable Date, the applications of these designs are still pending registration by the IPOS.

Our business and profitability is not materially dependent on any of our intellectual property.

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APPENDIX F – TERMS, CONDITIONS AND PROCEDURES AND APPLICATIONS AND ACCEPTANCES

You are invited to apply and subscribe for the Placement Shares at the Placement Price for each Placement Share subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**
2. Your application for the Placement Shares may only be made by way of printed Placement Shares Application Forms or such manner as the Issue Manager, Sponsor and Placement Agent may in their absolute discretion deem fit.
3. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.**
4. **You are allowed to submit only one application in your own name for the Placement Shares.**

If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent.

Joint applications for the Placement Shares shall be rejected. If you submit or procure submissions of multiple share applications for Placement Shares, you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent.

5. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
6. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 7 below.
7. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, and insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.

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8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.
9. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and/or allocation and other correspondence from CDP will be sent to your address last registered with CDP.**
10. **Our Company, the Vendor, the Issue Manager, Sponsor and Placement Agent reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance or remittances which are not honoured upon the first presentation.**
11. **Our Company, the Vendor, the Issue Manager, Sponsor and Placement Agent further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
12. Our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision with regard hereto will be entertained. In deciding the basis of allotment and/or allocation which shall be at the discretion of our Company, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
13. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted and/or allocated to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf, as renounee, any documents required for the issue of the Placement Shares allotted to you.

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14. In the event that our Company lodges a supplementary or replacement Offer Document (“**Relevant Document**”) pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Placement, and the Placement Shares have not been issued and/or transferred, we will (as required by law), at our Company’s sole and absolute discretion and as required to by the SFA, either
- (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the Relevant Document, and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
 - (ii) within seven (7) days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw your application; or
 - (iii) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven (7) days from the lodgement of the Relevant Document.

Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 14(ii) and (iii) above to withdraw your application, we (and on behalf of the Vendor) shall pay to you all monies paid by you on account of your application for the Placement Shares without interest or any share or revenue or other benefit arising therefrom and at your own risk, within seven (7) days from the receipt of such notification and you shall not have any claim against our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent.

In the event that at any time at the time of the lodgement of the Relevant Document, the Placement Shares have already been issued and/or transferred but trading has not commenced, we will (as required by law), and as required to by the SFA:

- (iv) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the Relevant Document, and provide you with an option to return to our Company and/or the Vendor the Placement Shares and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
- (v) within seven (7) days from the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return to our Company the Placement Shares, which you do not wish to retain title in.

Any applicant who wishes to exercise his option under paragraph 14(iv) and (v) above to return the Placement Shares issued and/or transferred to him shall, within 14 days from the date of lodgement of the Relevant Document, notify us of this and return all documents, if any, purporting to be evidence of title of those Placement Shares and agree for us (and on behalf of the Vendor) to purchase his Placement Shares at the Placement Price, whereupon we (and on behalf of the Vendor) shall, within seven (7) days from the receipt of such

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notification and documents, purchase his Placement Shares and pay to him all monies paid by him for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in the Relevant Document.

15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to us, the Vendor and the Issue Manager, Sponsor and Placement Agent and, any other parties so authorised by the foregoing persons.
16. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Placement Shares through the Issue Manager, Sponsor and Placement Agent or its designated sub-placement agent.
17. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (i) irrevocably offer, agree and undertake to subscribe for and/or purchase the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted and/or allocated to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Memorandum and Articles of Association of our Company for application;
 - (ii) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to the Company upon application;
 - (iii) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent in determining whether to accept your application and/or whether to allot and/or allocate any Placement Shares to you; and
 - (iv) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent will infringe any such laws as a result of the acceptance of your application.
18. Our acceptance of applications will be conditional upon, *inter alia*, our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent being satisfied that:
 - (i) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares and the Placement Shares on a “when-issued” basis on Catalyst;

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- (ii) the Management Agreement and the Placement Agreement referred to in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (iii) the Authority or any other competent authority, has not served a stop order (“**Stop Order**”) which directs that no or no further shares to which this Offer Document relates be allotted and/or allocated.
19. In the event that a Stop Order in respect of the Placement Shares is served by the SGX-ST, acting as an agent on behalf of the Authority or other competent authority, and
- (i) in the case where the Placement Shares have not been issued and/or transferred, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and our Company (and on behalf of the Vendor) shall refund (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or
 - (ii) in the case where the Placement Shares have already been issued and/or transferred but trading has not commenced, the issue and/or transfer of the Placement Shares shall, as required by the SFA, to be deemed to be void, and our Company (and on behalf of the Vendor) shall, within 14 days from the date of the Stop Order purchase the applicants’ Placement Shares at the Placement Price, and pay to the applicants all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom), and
- the applicant shall not have any claims against our Company, the Vendor, the Issue Manager, Sponsor and Placement Agent.
- This shall not apply where only an interim Stop Order has been served.
20. In the event that an interim Stop Order in respect of the Placement Shares is served by the SGX-ST, acting as an agent on behalf of the Authority or other competent authority, no Placement Shares shall be issued and/or transferred during the time when the interim Stop Order is in force.
21. The Authority or the SGX-ST (acting as agent on behalf of the Authority) is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and/or transferred and listed for quotation on a securities exchange and trading in the Placement Shares has commenced.
22. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com> and through a paid advertisement in a generally circulating daily press.
23. We will not hold any application in reserve.

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24. We will not allot and/or allocate Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST.
25. Additional terms and conditions for applications by way of Application Forms are set out in Appendix J of this Offer Document.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as the Memorandum and Articles of Association of our Company.

1. Your application for the Placement Shares must be made using the Application Forms for Placement Shares, accompanying and forming part of this Offer Document. **ONLY (1) APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company, the Vendor and the Issue Manager, Sponsor and Placement Agent reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms, except those under the heading **“FOR OFFICIAL USE ONLY”**, must be completed and the words **“NOT APPLICABLE”** or **“N.A.”** should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as it appears in your identity cards (if you have such identification document) or in your passports and, in the case of a corporation, in your full name as registered with a competent authority. If you are a non-individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company’s Share Registrar. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.

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5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.
7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**TLV SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with your name, CDP Securities Account Number and address written clearly on the reverse side. **APPLICATIONS NOT ACCOMPANIED BY ANY PAYMENT OR ACCOMPANIED BY ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED.** We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company or the Sponsor for applications and application monies received.
8. The completed and signed Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope. You must affix adequate postage (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to TLV Holdings Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623**, to arrive by **12.00 noon on 15 September 2015 or such other time as we may, in consultation with the Issue Manager, Sponsor and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used. ONLY ONE (1) APPLICATION** should be enclosed in each envelope. No acknowledgement or receipt will be issued for any application or remittance received.

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9. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management Agreement and/or the Placement Agreement or the Placement does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 5 Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of a Stop Order by the SGX-ST, acting as an agent on behalf of the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 Market Days from the date of the Stop Order.
10. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
11. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, the Vendor, our Directors, the Issue Manager, Sponsor and Placement Agent and/or any other party involved in the Placement, and if, in any such event, our Company, the Vendor and/or the Issue Manager, Sponsor and Placement Agent does not receive your Application Form, you shall have no claim whatsoever against our Company, the Vendor, the Issue Manager, Sponsor and Placement Agent and/or any other party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.
12. By completing and delivering the Application Form, you agree that:
 - (v) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 15 September 2015 or such other time or date as our Directors and the Vendor may, in consultation with the Issue Manager, Sponsor and Placement Agent, decide and by completing and delivering the Application Form, you agree that:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

neither our Company, the Vendor, the Issue Manager, Sponsor and Placement Agent nor any other party involved in the Placement shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 11 above or to any cause beyond their respective controls;

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- (vi) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (vii) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company or the Vendor;
- (viii) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (ix) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Vendor or the Issue Manager, Sponsor and Placement Agent or other authorised operators involved in the Placement shall have any liability for any information not so contained;
- (x) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Issue Manager, Sponsor and Placement Agent or other authorised operators; and

you irrevocably agree and undertake to subscribe for the number of Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted and/or allocated to you in respect of your application. In the event that our Company and the Vendor decides to allot and/or allocate any smaller number of Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final.

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TLV HOLDINGS LIMITED

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

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Singapore 416181