



TLV HOLDINGS LIMITED
Company Registration No. 201526542C

Unaudited Financial Statements
For the 6 months financial period ended 31 March 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)

CHANGE OF FINANCIAL YEAR END

On 13 February 2020, the Company had announced a change of financial year end from 31 March to 30 June. Therefore, the financial statements presented for this interim results announcement will cover the 6 months financial period from 1 October 2019 to 31 March 2020 ("2H 2020"), and the comparative preceding financial period will cover the 6 months financial period from 1 October 2018 to 31 March 2019 ("2H 2019").

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group (Unaudited)			Group (Unaudited)		
	2H2020 S\$'000	2H2019 S\$'000	Change %	12M2020 S\$'000	12M2019 S\$'000	Change %
Revenue	56,319	60,328	(7)	109,499	119,036	(8)
Cost of sales	(41,119)	(44,196)	(7)	(80,325)	(89,479)	(10)
Gross profit	15,200	16,132	(6)	29,174	29,557	(1)
Other operating income	149	188	(21)	261	225	16
Distribution costs	(9,570)	(9,564)	-	(19,062)	(18,717)	2
Administrative expenses	(2,704)	(3,008)	(10)	(5,303)	(5,395)	(2)
Other operating expenses	(1,231)	(649)	90	(1,688)	(1,484)	14
Share of profit / (loss) of associates	170	(1)	Nm	378	231	64
Finance costs	(772)	(398)	94	(1,490)	(584)	155
Profit before tax	1,242	2,700	(54)	2,270	3,833	(41)
Income tax expense	(235)	(335)	(30)	(293)	(367)	(20)
Profit after tax	1,007	2,365	(57)	1,977	3,466	(43)
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation	3	3	Nm	(4)	9	Nm
Share of foreign currency translation of associates	40	(85)	Nm	312	107	192
Total comprehensive income for the period	1,050	2,283	(54)	2,285	3,582	(36)
Profit after tax attributable to:						
Owners of the Company	1,007	2,402	(58)	1,995	3,503	(43)
Non-controlling interests	-	(37)	Nm	(18)	(37)	(51)
	1,007	2,365	(57)	1,977	3,466	(43)
Total comprehensive income for the period attributable to						
Owners of the Company	1,050	2,320	(55)	2,303	3,619	(36)
Non-controlling interests	-	(37)	Nm	(18)	(37)	(51)
	1,050	2,283	(54)	2,285	3,582	(36)

Nm – not meaningful

1(a)(ii) Notes to Consolidated Statement of profit or loss and other comprehensive Income

Profit before income tax is arrived after (charging)/ crediting the following:

	Group (Unaudited)			Group (Unaudited)		
	2H2020 S\$'000	2H2019 S\$'000	Change %	12M2020 S\$'000	12M2019 S\$'000	Change %
Interest income from financial services	1,394	1,015	37	2,619	1,801	45
Net allowances for impairment of trade receivables	(813)	(477)	70	(813)	(1,247)	(35)
Net fair value loss on bullion loans designated as financial liabilities at fair value through profit or loss	(646)	(58)	1,014	(1,848)	(58)	3,086
Gain/(Loss) on disposal of property, plant and equipment	1	–	Nm	1	(23)	Nm
Net foreign currency exchange loss	(442)	–	Nm	(522)	(6)	8,600
Interest expense on bank borrowings	(680)	(398)	71	(1,188)	(584)	103
Depreciation of right - of -use assets	(1,919)	–	Nm	(3,565)	–	Nm
Depreciation of property, plant and equipment	(573)	(486)	18	(1,079)	(897)	20
Amortisation of trademarks	(70)	(69)	-	(142)	(141)	1

Nm – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31.03.2020 Unaudited S\$'000	31.03.2019 Audited S\$'000	31.03.2020 Unaudited S\$'000	31.03.2019 Audited S\$'000
ASSETS				
Non-current assets				
Investment in subsidiaries	–	–	82,076	82,076
Investment in associates	6,622	6,407	–	–
Right of use assets	9,021	–	–	–
Property, plant and equipment	11,128	10,967	–	–
Trademarks	564	704	–	–
Other receivables	821	719	–	–
Deferred tax assets	523	459	–	–
	28,679	19,256	82,076	82,076
Current assets				
Inventories	91,677	86,637	–	–
Trade and other receivables	56,711	55,999	13,052	14,500
Prepayments	119	145	12	17
Cash and bank balances	13,631	11,529	1,513	2,419
	162,138	154,310	14,577	16,936
Total assets	190,817	173,566	96,653	99,012
LIABILITIES				
Current liabilities				
Bank borrowings	27,994	17,382	–	–
Bullion loans	7,403	6,836	–	–
Trade and other payables	32,089	34,754	252	995
Lease liabilities	5,534	–	–	–
Income tax payable	370	661	–	–
	73,390	59,633	252	995
NET CURRENT ASSETS	88,748	94,677	14,325	15,941
Non-current liabilities				
Bank borrowings	8,903	10,196	–	–
Lease liabilities	3,541	–	–	–
Deferred tax liabilities	74	–	–	–
Provision	287	175	–	–
	12,805	10,371	–	–
Total Liabilities	86,195	70,004	252	995
NET ASSETS	104,622	103,562	96,401	98,017

	Group		Company	
	31.03.2020 Unaudited S\$'000	31.03.2019 Audited S\$'000	31.03.2020 Unaudited S\$'000	31.03.2019 Audited S\$'000
Equity attributable to owners of the Company				
Share capital	96,719	96,719	96,719	96,719
Merger reserve	(64,502)	(64,502)	-	-
Treasury shares	(698)	(698)	(698)	(698)
Translation reserve	729	421	-	-
Retained earnings	72,429	71,659	380	1,996
Equity attributable to equity holders	104,677	103,599	96,401	98,017
Non-controlling interest	(55)	(37)	-	-
Total Equity	104,622	103,562	96,401	98,017

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	31.03.2020 (Unaudited)		31.03.2019 (Audited)	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank borrowings	16,362	19,035	13,403	10,815
	16,362	19,035	13,403	10,815

Amount repayable after one year

	31.03.2020 (Unaudited)		31.03.2019 (Audited)	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank borrowings	8,304	599	10,196	-
	8,304	599	10,196	-

Details of any collateral:

1. Bank borrowings of \$4.60 million (31 March 2019: \$4.77 million) are secured by first mortgage over leasehold property owned by a subsidiary of the Group.
2. Term loans of \$7.9 million (31 March 2019: \$8.5 million) are secured by a subsidiary's pledge of fixed deposits amounting to about \$2.1 million (31 March 2019: \$1.5 million).
3. Short term bank loans of \$12.0 million (31 March 2019: \$10.0 million) is secured by a subsidiary's cash account and a fixed and floating charge on all present and future assets of the subsidiary.
4. The balance of the Group's secured borrowings relates to finance leases secured over the leased motor vehicles.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group		Group	
	(Unaudited) 2H2020 S\$'000	(Unaudited) 2H2019 S\$'000	(Unaudited) 12M 2020 S\$'000	(Audited) 12M 2019 S\$'000
Cash flows from operating activities				
Profit before tax	1,242	2,700	2,270	3,833
Adjustments for:				
Depreciation of right-of-use assets	1,919	–	3,565	–
Depreciation of property, plant & equipment	573	486	1,079	897
Amortisation of trademarks	70	70	142	141
Finance costs	772	398	1,490	584
Share of (profit)/loss of associated companies	(170)	1	(378)	(231)
Loss on disposal of associate	217	–	217	–
Allowance for impairment of trade receivables	813	477	813	1,247
Fair value change of bullion loans	646	58	1,848	58
Provision of reinstatement costs	80	20	127	–
Unrealised exchange loss	(176)	(110)	(96)	(136)
Fixed assets written off	(1)	–	(1)	–
(Gain)/ loss on disposal of property, plant and equipment	(1)	–	(1)	23
Operating cash flows before working capital changes	5,984	4,100	11,075	6,416
Increase in trade and other receivables and prepayments	(1,736)	(8,327)	(2,263)	(9,112)
Decrease /(increase) in inventories	3,868	4,955	(4,792)	(8,014)
Decrease in trade and other payables	(1,615)	(9,979)	(1,572)	(1,716)
(Decrease)/ increase in bills payable	(2,245)	(1,068)	662	(921)
Cash flows generated from /(used in) operations	4,256	(10,319)	3,110	(13,347)
Income tax paid, net	(322)	(196)	(582)	(430)
Net cash generated from/ (used in) operating activities	3,934	(10,515)	2,528	(13,777)
Investing activities				
Proceeds from disposal of property, plant and equipment	3	2	3	38
Payment of reinstatement costs	(15)	(20)	(61)	(20)
Purchase of property, plant and equipment	(455)	(231)	(1,356)	(6,712)
Investment in an associate	–	(239)	–	(648)
Net cash used in investing activities	(467)	(488)	(1,414)	(7,342)
Financing activities				
Proceeds from bank borrowings	7,000	13,000	18,000	22,800
Repayment of bank borrowings	(5,499)	(5,270)	(9,215)	(6,072)
New bullion loans	7,097	6,778	15,676	6,778
Repayment of bullion loans	(7,584)	–	(16,827)	–
Payment of lease liabilities	(1,986)	–	(3,704)	–
Repayment of finance lease obligations	(69)	(77)	(132)	(139)
New pledge fixed deposits with banks	–	(1,500)	(600)	(1,500)
Finance costs paid	(982)	(398)	(1,490)	(584)
Dividends paid	–	(1,225)	(1,225)	(1,225)
Net cash flows (used in) /generated from financing activities	(2,023)	11,308	483	20,058
Net increase/ (decrease) in cash and cash equivalents	1,444	305	1,597	(1,061)
Net effect of exchange rates changes on the balance cash held in foreign currencies	(164)	18	(95)	54
Cash and cash equivalents at beginning of the financial period	10,251	9,706	10,029	11,036
Cash and cash equivalents at end of the financial period	11,531	10,029	11,531	10,029

Note to statement of cash flows:

Cash and cash equivalents included in the consolidated statement of Cash Flow comprise of the following amounts:

	Group 12M 2020 Unaudited \$'000	Group 12M 2019 Audited \$'000
Cash and bank balances	13,631	11,529
Fixed deposits pledged with banks	(2,100)	(1,500)
Cash and cash equivalents	11,531	10,029

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group (Unaudited)	Share Capital S\$'000	Merger Reserve S\$'000	Treasury shares S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Non controlling interests S\$'000	Total Equity S\$'000
Balance as at 1 April 2019	96,719	(64,502)	(698)	421	71,659	(37)	103,562
Profit for the period	-	-	-	-	988	(18)	970
Other comprehensive income:							
Foreign currency translation	-	-	-	(7)	-	-	(7)
Share of foreign currency translation of associates	-	-	-	272	-	-	272
Total comprehensive income for the period	-	-	-	265	988	(18)	1,235
Distributions to owners							
Dividends paid	-	-	-	-	(1,225)	-	(1,225)
Balance as at 30 September 2019	96,719	(64,502)	(698)	686	71,404	(55)	103,554
Profit for the period	-	-	-	-	1,007	-	1,007
Other comprehensive income:							
Foreign currency translation	-	-	-	3	-	-	3
Share of foreign currency translation of associates	-	-	-	40	-	-	40
Total comprehensive income for the period	-	-	-	43	1,007	-	1,050
Balance as at 31 March 2020	96,719	(64,502)	(698)	729	72,429	(55)	104,622

Group (Audited)	Share Capital S\$'000	Merger Reserve S\$'000	Treasury shares S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Non controlling interests S\$'000	Total Equity S\$'000
Balance as at 1 April 2018	96,719	(64,502)	(698)	305	71,998	-	103,822
Cumulative effects of adopting SFRS(I)	-	-	-	-	(2,617)	-	(2,617)
	96,719	(64,502)	(698)	305	69,381	-	101,205
Profit for the period	-	-	-	-	1,101	-	1,101
Other comprehensive income:							
Foreign currency translation	-	-	-	6	-	-	6
Share of foreign currency translation of associates	-	-	-	192	-	-	192
Total comprehensive income for the period	-	-	-	198	1,101	-	1,299
Distributions to owners							
Dividends paid	-	-	-	-	(1,225)	-	(1,225)
Balance as at 30 September 2018	96,719	(64,502)	(698)	503	69,257	-	101,279
Profit for the period	-	-	-	-	2,402	(37)	2,365
Other comprehensive income:							
Foreign currency translation	-	-	-	3	-	-	3
Share of foreign currency translation of associates	-	-	-	(85)	-	-	(85)
Total comprehensive income for the period	-	-	-	(82)	2,402	(37)	2,283
Balance as at 31 March 2019	96,719	(64,502)	(698)	421	71,659	(37)	103,562

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Company (Unaudited)	Share Capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Balance as at 1 April 2019	96,719	(698)	1,996	98,017
Loss for the period	-	-	(205)	(205)
Total comprehensive income for the period	-	-	(205)	(205)
Distributions by owners				
Dividends paid	-	-	(1,225)	(1,225)
Balance as at 30 September 2019	96,719	(698)	566	96,587
Loss for the period	-	-	(186)	(186)
Total comprehensive income for the period	-	-	(186)	(186)
Balance as at 31 March 2020	96,719	(698)	380	96,401
Company (Audited)	Share Capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Balance as at 1 April 2018	96,719	(698)	2,677	98,698
Loss for the period	-	-	(107)	(107)
Total comprehensive income for the period	-	-	(107)	(107)
Distributions by owners				
Dividends paid	-	-	(1,225)	(1,225)
Balance as at 30 September 2018	96,719	(698)	1,345	97,366
Profit for the period	-	-	651	651
Total comprehensive income for the period	-	-	651	651
Balance as at 31 March 2019	96,719	(698)	1,996	98,017

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Share capital \$'000
As at 31 March 2020	559,406,000	96,021
As at 30 September 2019	559,406,000	96,021

The Company did not have any outstanding options or convertibles as at 31 March 2020 and 31 March 2019.

	31.03.2020	31.03.2019
Number of issued shares held as treasury shares	6,100,000	6,100,000
Number of issued shares held as subsidiary holdings	–	–
Total number of issued shares excluding treasury shares and subsidiary holdings	559,406,000	559,406,000

Accordingly the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed is 1.1% and 1.1% as at 31 March 2020 and 31 March 2019 respectively.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	31.03.2020	31.03.2019
Total number of issued shares excluding treasury shares	559,406,000	559,406,000

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellations and/or use of treasury shares during the financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellations and/or use of subsidiary holdings during the financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period and year compared with the audited financial statements for the year ended 31 March 2019, except that the Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to SFRS(I) that are effective for its financial year beginning 1 April 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted SFRS(I) 16 Leases with effect from 1 April 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the FY2019 reporting period as permitted under the specific transition provisions in the standard.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	2H 2020	2H 2019	12M 2020	12M 2019
Profit attributable to equity holders of the Company (S\$'000)	1,007	2,402	1,995	3,503
Weighted average number of ordinary shares used in the computation of basic and diluted EPS ('000)	559,406	559,406	559,406	559,406
Basic and diluted earnings per share (Singapore cents)	0.18	0.43	0.36	0.63

Note:

- 1. The weighted average number of shares of the Company is calculated based on the adjusted share capital after taking into account of the share buybacks in the respective financial periods, if any.*
- 2. The basic and diluted earnings per share are the same as there were no potential dilutive ordinary shares existing during the financial periods.*

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) Current period reported on; and (b) Immediately preceding financial year.**

	GROUP		COMPANY	
	31.03.2020 Unaudited	31.03.2019 Audited	31.03.2020 Unaudited	31.03.2019 Audited
Net asset value per ordinary share (Singapore cents)	18.70	18.51	17.23	17.52
Number of issued shares (excluding treasury shares) (\$'000)	559,406	559,406	559,406	559,406

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Review of the Income Statement of the Group

(Commentary below is based on comparative financial period of 2H 2020 vis-à-vis 2H 2019)

Revenue

	GROUP		
	2H 2020 (Unaudited) \$'000	2H2019 (Unaudited) \$'000	Change %
Retail business	29,806	30,103	(1)
Financial Services	1,394	1,015	37
Wholesale and exhibition business	25,119	29,210	(14)
Total	56,319	60,328	(7)

The Group recorded a decrease in revenue mainly due to lower revenue from the retail, wholesale and exhibition business segments.

Revenue for the retail business decreased by 1% mainly due to the decline in sales during the last three month (4Q) period of 2H 2020. Retail malls experienced lower footfall and sales as more shoppers are encouraged to stay home under the extended social distancing measures implemented in Singapore in view of the Coronavirus Disease 2019 ("COVID-19"). The decline was mostly compensated by the strong festive season sales in the 3Q 2020.

Revenue for the wholesale and exhibition business decreased by 14% mainly attributable to the outbreak of COVID-19 in the last three month (4Q) period of 2H 2020. The decrease is mainly due to the global travel restrictions imposed and lower demands of luxury goods globally amidst uncertainties of the pandemic.

Revenue for financial services increased by 37% mainly due to higher interest income earned from pawn broking and money lending business.

Cost of sales and gross profit

Cost of sales decreased 7% which was in tandem with the lower revenue.

Cost of sales included 'net fair value loss on bullion loans'. Bullion loans are designated as financial liabilities at fair value through profit or loss as they are managed and their performance are evaluated on a fair value basis. The increase in net fair value loss on bullion loans during the financial period is attributable to the gold price fluctuations during the financial period.

Excluding the net fair value loss on bullion loans, the gross profit margin was higher for 2H 2020 at 28% as compared to 2H 2019 at 27%.

Administrative expenses

Administrative expenses decreased by 10% mainly due to the lower level of performance bonuses accrued in relation to the lower profit achieved.

Other operating expenses

Other operating expenses increased mainly due to the higher level of allowance for impairment of trade receivables recorded for the wholesale and exhibition business segment and foreign currency exchange losses incurred in 2H 2020.

Finance costs

Finance costs increased mainly due to the accretion of interest on lease liabilities recognised under the new SFRS(I) 16 Leases and higher interest expenses incurred from drawn down of certain loan facilities.

Depreciation expenses

Total depreciation expense increased due to the additional depreciation of right-of-use assets with the adoption of the new SFRS(I)16 Leases. Operating rental expenses previously recognised in Statement of comprehensive income will be replaced with depreciation expense for right of use asset and finance costs for lease liabilities.

Profit before tax

As a result, the Group's profit before tax decreased by approximately \$1.5 million or 54% from \$2.7 million 2H 2019 to \$1.2 million in 2H 2020.

Review of Financial Position of the Group

Non-current assets

Non-current assets increased by approximately \$9.4 million or 49% from \$19.3 million as at 31 March 2019 to \$28.7 million as at 31 March 2020. This was mainly due to the recognition of right-of-use assets of \$9.0 million following the adoption of SFRS(I)16 Leases.

Current assets

Current assets increased by approximately \$7.8 million or 5% from \$154.3 million as at 31 March 2019 to \$162.1 million as at 31 March 2020, attributable to an increase of inventories of \$5.0 million which was due to higher level of stock holdings prior to the outbreak of COVID-19 pandemic. The increase in trade and other receivables was largely due to the increased level of outstanding pledges under the financial services segment. The increase in cash and bank balances of \$2.1 million was partly due to the higher fixed deposits placed with the banks as pledges for its loan facilities and the additional as cash reserves for operating purposes.

Current liabilities

Current liabilities increased by \$13.8 million or 23% from \$59.6 million as at 31 March 2019 to \$73.4 million as at 31 March 2020 due to the increase in short term bank borrowings of \$10.6 million arising from the higher business activities in financial services segment and expansion of retail business in terms of the number of new retail outlets in 3Q2020. In addition, the increase was also due to the recognition of lease liabilities of \$5.5 million arising from the adoption of SFRS(I)16 Leases.

Non-current liabilities

Non-current liabilities increased by \$2.4 million or 23% from \$10.4 million as at 31 March 2019 to \$12.8 million as at 31 March 2020 mainly due to the recognition of lease liabilities of \$3.5 million arising from the adoption of SFRS(I)16 Leases. The decrease in bank borrowings was due to both the repayment of bank borrowings and reclassification of bank borrowings from non-current to current liabilities as it becomes due within the next 12 months.

Working capital

As a result, the Group had a positive working capital of approximately \$88.7 million as at 31 March 2020 as compared to approximately \$94.7 million as at 31 March 2019.

Review of the Cash Flow Statement of the Group

The Group's cash and cash equivalents position increased by approximately \$1.4 million in 2H 2020 as compared to 2H 2019.

Net cash used in operating activities

In 2H 2020, the Group recorded a net cash generated from operations of \$4.3 million which was a net result of operating cash flow before working capital changes of \$6.0 million, adjusted for net working capital outflow of \$1.7 million.

The net working capital outflow was mainly due to the following:

- (a) Net increase in trade and other receivables of \$1.7 million;
- (b) Decrease in inventories of \$3.9 million;
- (c) Decrease in trade and other payables of \$1.6 million; and
- (d) Decrease in bills payable of \$2.2 million.

Net cash used in investing activities

Net cash used in investing activities amounted to \$0.5 million in 2H 2020 mainly due to capital expenditure for expansion of new retail outlets.

Net cash used in financing activities

Net cash used in financing activities amounted to \$2.0 million in 2H 2020 mainly due to net increase of bank borrowings and bullion loans of \$1.0 million, and offset by the repayment of lease liabilities of \$2.0 million and finance costs paid of \$1.0 million

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statements has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Singapore Government has imposed increasingly tighter measures including stricter border controls, enhanced safe distancing and crowd control, and more recently a 'circuit breaker' ("CB") whereby all non-essential businesses must stop operations at their workplaces from 7 April 2020 to 1 June 2020. These measures will inevitably have a material impact on our retail and wholesale business at least for the short term. Business operations were interrupted significantly following closedown of procurement and jewellery production. The ongoing 'circuit breaker' has resulted in a full closure of our retail stores other than pawnshops which have obtained approval for exemption from the suspension of non-essential business activities from Ministry of Trade and Industry.

Both retail and wholesale revenue are expected to remain weak amidst uncertainties of the pandemic and lower spending power due to cautious retail sentiments.

To cushion the impact of such control measures on tenants, the Singapore Government has recently launched Job Support Scheme and also passed legislation to allow for rental deferrals by tenants who are adversely affected by COVID-19 for a period of six months from the date of such legislation coming into force (i.e. 20 April 2020) which may be extended to a year. These measures will impact the cash flow and financial performance of the Group for the next reporting period and the next 12 months.

The Group has in place banking facilities for working capital needs for FY2020 and FY2021. Nevertheless, the uncertainties and challenges that the COVID-19 pandemic brings with it are unprecedented. As such, the full extent of the impact on our financial performance and operations cannot be reasonably determined at this stage.

The Group adopted SFRS(I) 9 Financial Instruments which requires us to assess expected credit losses (“ECL”) on all our financial assets instead of objective evidence of impairment. In accordance with this financial reporting standard, the Group will take into account and revise key parameters used in ECL model including forward-looking economic factors in order to determine and assessing the ECL of our financial assets. This may lead to further impairments as we have to account for the current level of uncertainty in respective industries and countries where we are exposed to.

The management team is actively monitoring the developments of this pandemic, and has taken the necessary precautionary measures at our workplaces in accordance with guidelines from local authorities. To maintain our financial resilience, our group is suspending all non-essential operating and capital expenditures except for IT equipment and facilities which are required for telecommuting and online sales.

The Group has a relatively balanced customer base in both the local and international jewellery market, which should allow a smooth recovery post pandemic. This, coupled with a diversified product range will contribute to the resilience of our business amidst the recent headwinds. Going forward, the management will focus on cash flow management in the short term and reposition ourselves in the supply chain of jewellery design and manufacturing in the long term while mitigating the negative impact of this challenging operating environment.

The Group will continue to monitor the situation and provide shareholders with further updates as and when appropriate.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share (cents)

None.

(b)(ii) Previous corresponding period (cents)

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared/recommended for the current financial period reported on as the Company will consider recommendation of dividend, if any, at the end of each financial year on grounds of prudence.

13. **If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There were no other IPT of \$100,000 and above for the current financial period reported on.

The Group does not have a general mandate from shareholders for IPTs.

14. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

15. **Negative Confirmation of Interim Financial Results Pursuant to Rule 705(5) of the Catalist Listing Manual**

The Board of Directors of the Company confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the six months financial period ended 31 March 2020 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD
TLV Holdings Limited**

Teo Boon Leng
Managing Director

14 May 2020