TIONG SENG HOLDINGS LIMITED
(Incorporated in Singapore)
Company Registration No. 200807295Z

PROPOSED DISPOSAL OF PROPERTY LOCATED AT 6 TUAS SOUTH STREET 11, TIONG SENG @ TUAS SOUTH, SINGAPORE 637094 – GRANT OF OPTION TO PURCHASE

1. INTRODUCTION

The Board of Directors (the "**Board**") of Tiong Seng Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the approval of Shareholders for the proposed disposal by the Group of, *inter alia*, a leasehold property located at 6 Tuas South Street 11, Tiong Seng @ Tuas South, Singapore 637094, which leasehold was granted by JTC to Tiong Seng Contractors (Private) Limited ("**TSC**"), a wholly-owned subsidiary of the Company, on 1 December 2016 with a leasehold tenure of 20 years and 6 months commencing from 27 May 2015 (the "**Tuas Property**"). Pursuant to the Company's circular to Shareholders dated 30 November 2023 (the "**30 November 2023 Circular**") in relation to, *inter alia*, seeking the proposed adoption of a mandate ("**Disposal Mandate**") to authorise the Group to dispose of the Tuas Property, the Shareholders had approved the adoption of the Disposal Mandate on the terms set out in the said 30 November 2023 Circular at an extraordinary general meeting of the Company held on 15 December 2023. The Disposal Mandate (with updated valuations and minimum disposal prices for the Tuas Property) was subsequently renewed at the annual general meeting ("**AGM**") of the Company held on 30 April 2024. Most recently, the further renewal of the Disposal Mandate was approved by the Shareholders at the AGM of the Company held on 30 April 2025, on terms set out in the Appendix to the Notice of Annual General Meeting dated 15 April 2025 (the "**15 April 2025 Appendix**").

As the relative figure computed under Rule 1006(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**") exceeds 20%, the Proposed Disposal constitutes a "major transaction" pursuant to Rule 1014(a) of the Listing Manual. Further details on the relative figures computed under Rule 1006 of the Listing Manual in relation to the Proposed SLF Property Disposal are set out in Paragraph [10] below of this Announcement. As such the Company had sought and obtained the approval of the Shareholders (and renewal of such approval) for the Proposed Disposal under the Disposal Mandate.

The Company is required, after terms of the Proposed Disposal have been agreed, to announce the information required in Rules 1010, 1011, 1012, and 1013, where applicable, of the Listing Manual. Accordingly, the Board wishes to announce that TSC has on 18 June 2025 granted an option to purchase (the "**Option**") to an unrelated third party purchaser (the "**Purchaser**") for the sale of the Tuas Property for an aggregate consideration of S$10,500,000 (the "**Purchase Consideration**") on the terms and subject to the conditions of the Option (the "**Proposed Disposal**").

2. DETAILS OF THE TUAS PROPERTY AND THE PURCHASER

The Tuas Property is located at 6 Tuas South Street 11, Tiong Seng @ Tuas South, Singapore 637094. The Tuas Property is a leasehold property granted by JTC to TSC as registered lessee on 1 December 2016 with a leasehold tenure of 20 years and 6 months commencing from 27 May 2015. It is a two-storey single user industrial building and has a land area and a gross floor area of 10,000.4 square metres and 9,688.57 square metres respectively. The Tuas Property is currently occupied and rented by the Company's wholly-owned subsidiary, Robin Village Development Pte. Ltd. ("**RVD**"), and is being used as an office, a storage warehouse and for the assembly of prefabricated bathroom units and prefabricated prefinished volumetric construction components as a temporary arrangement to cater to the increase in contract orders. The cost of acquisition of the Tuas Property by the Group was S$18,488,939 and the monthly gross rental payable by the Group for the Tuas Property is S$1.00. The Tuas Property is mortgaged in favour of Malayan Banking Berhad as security for credit facilities extended to the Group, under which S$1,020,000 is outstanding as at 31 December 2024.

Based on the audited consolidated financial statements of the Group for for the financial year ended 31 December 2024 ("**FY2024**"), the book value of the Tuas Property as at 31 December 2024 is S$12,115,000, which represents 16.3% of the Group's net asset value as at 31 December 2024.

Given that RVD has already shifted a portion of its operations to Malaysia, it no longer requires the space in the Tuas Property for its operations. The disposal of the Tuas Property will therefore not result in any disruptions to RVD's current business operations, and the Board is of the view that the proposed disposal of the Tuas Property will not have any material impact on the Group's business operations.

The Purchaser, Maxwell Technology Pte. Ltd., is incorporated in Singapore and is a manufacturer of high-end photovoltaic equipment company. The Purchaser is not related to the Group, the directors and controlling shareholders of the Company, and their respective associates.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

(a) <u>Purchase Consideration</u>

The Purchase Consideration is S$10,500,000 and was arrived at on a willing buyer and willing seller basis, taking into account (i) the market value of the [unexpired leasehold interest in the Tuas Property, with vacant possession and free from all encumbrances, of S$10,300,000 as at 28 February 2025, as determined in a desk-top valuation review letter (the "**Updated Tuas Property Valuation**") dated 28 February 2025 issued by Jones Lang LaSalle Property Consultants Pte Ltd ("**JLL**") and carried out in accordance with the Singapore Institute of Surveyors and Valuers Standards and Guidelines and International Valuation Standards], and (ii) prevailing market conditions

Under the Option, the Purchase Consideration shall be payable by the Purchaser to TSC in cash as follows

(i) an option fee of S$105,000 (the "**Option Fee**"), which is equivalent to 1% of the Purchase Consideration, shall be payable upon the grant of the Option;

(ii) a sum of S$1,050,000, which is equivalent to 10% of the Purchase Consideration (the "**Deposit**"), less the Option Fee, shall be payable upon the exercise of the Option by the Purchaser; and

(iii) the balance of the Purchase Consideration, which is equivalent to 90% of the Purchase Consideration, shall be payable upon completion of the Proposed Disposal.

As at the date of this Announcement, the Purchaser has paid the Option Fee.

(b) Conditions

The Proposed Disposal is subject to receipt of satisfactory replies to the usual legal requisitions to be sent by the Purchaser's solicitors to the various government and relevant competent authorities.

(c) Completion

Under the Option, completion of the Proposed Disposal will take place 12 weeks after the date of exercise of the Option by the Purchaser.

(d) Marketing Fee

The Purchaser was introduced to the Group through C-Suite Real Estate Pte Ltd and Elchdan Properties Consultants & Managers (collectively, the "**Agents**"), the property agents engaged by the Group for the Proposed Disposal. For the introductory services provided by the Agents, the Group will pay the Agents a marketing fee of 2% of the Purchase Consideration (the "**Marketing Fee**") together with goods and services tax thereon. Each of the Agents will be paid 1% of the Purchase Consideration. The Company understands that the Marketing Fee is in line with the market rate for such commission fee payable to an agent for commercial properties which is typically 1% to 2% of the purchase price for the property which such agent has procured the sale of.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Board believes that the Proposed Disposal is in the best interests of the Group and the Shareholders, as it will enable the Group to realise net cash proceeds of approximately S$10,200,000 (after deducting the Marketing Fee and the estimated professional fees and other related expenses), thereby improving the liquidity of the Group. This would also allow the Group to reallocate its resources to improve and optimise the utilisation of assets.

5. VALUE OF AND NET PROFIT/LOSS ATTRIBUTABLE TO THE TUAS PROPERTY

(a) Based on a valuation report issued by JLL dated 17 August 2023 in relation to the Tuas Property, and commissioned by the Group to determine the market value of the Tuas Property for the purpose of the proposed disposal of the Tuas Property, as at 25 July 2023, the market value of the unexpired leasehold interest in the Tuas Property, with vacant possession and free from all encumbrances, was S$11,000,000. Due to the unique characteristics of the Tuas Property which sets it apart from other JTC industrial properties, JLL utilised the income capitalisation method and the depreciated replacement cost method in its valuation of the Tuas Property. The income capitalisation method entails the assumption of a hypothetical lease over the real estate and estimation of gross rental income as well as a deduction is made for vacancy and applicable real estate expenses or outgoings, including property tax, which are deducted from the gross rent to arrive at a market based net income. This was then capitalized at an appropriate rate for the remaining period of the land lease to arrive at market value. In addition to the income capitalisation method, The depreciated replacement cost method involves estimating the current replacement cost of the building and from which deductions are made to allow for depreciation due to age, condition and functional obsolescence. This replacement cost was then added to the vacant land value to derive the market value.

It was noted that the Tuas Property is an open-sided building and would likely appeal to an owner-occupier in the construction industry as it can be used for the following purposes:

(i) repair, maintenance and storage of construction machinery (e.g. cranes and excavators) and construction materials (e.g. formworks and scaffolds);

(ii) fabrication, assembly and storage of structural steel;

(iii) assembly and storage of fabricated bathroom units; and

(iv) research and training facilities for construction technology development.

In the Updated Tuas Property Valuation, the value of the unexpired leasehold interest in the Tuas Property, with vacant possession and free from all encumbrances, was S$10,300,000. The Updated Tuas Property Valuation was based on JLL's assessment of market conditions for properties of such nature as at the date of valuation.

Based on the audited net book value of the Tuas Property of S$12,115,000 as at 31 December 2024, the Proposed Disposal is expected to result in a loss on disposal of approximately S$1,915,000, after deducting the Marketing Fee, professional fees and other related expenses.

Based on the audited consolidated financial statements of the Group for FY2024, the net tangible asset value of the Tuas Property was S$12,115,000.

6. USE OF PROCEEDS

The Company expects to receive net cash proceeds of approximately S$10,200,000 (after deducting the Marketing Fee and the estimated professional fees and other related expenses) from the Proposed Disposal. The Company intends to use the net proceeds from the Proposed Disposal for repayment of bank borrowings.

Pending the deployment of the unutilised proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

7. FINANCIAL EFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after completion of the Proposed Disposal.

(b) The financial effects of the Proposed Disposal were calculated based on the audited consolidated financial statements of the Group for FY2024, and the expenses in connection with the Proposed Disposal (including the Marketing Fee, professional fees and other related expenses) have been disregarded.

(c) The effect of the Proposed Disposal on the net tangible assets ("**NTA**") per share of the Company for the FY2024, assuming that the transaction had been effected at the end of FY2024, is as follows:

As at 31 December 2024	**Before the Proposed Disposal**	**After the Proposed Disposal**
NTA (S$'000)	73,162	71,547
NTA per Share (cents)	16.60	16.22

(d) The effect of the Proposed Disposal on the earnings per share of the Company for the FY2024, assuming that the transaction had been effected at the end of FY2024, is as follows:

FY2024	**Before the Proposed Disposal**	**After the Proposed Disposal**
Profit after tax and Non-controlling Interest (S$'000)	2,858	1,243
Earning per Share (cents)	0.65	0.28

8. DIRECTORS' SERVICE CONTRACTS

No person will be appointed to the Board, and no service contract will be entered into by the Group, in connection with the Proposed Disposal.

9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors, Substantial Shareholders and their respective associates have any interests, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

10. RELATIVE FIGURES COMPUTED BASED ON RULE 1006

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule	Basis	Relative Figure
1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	16.3%
1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	Not applicable as there were no net profits attributable to the Tuas Property during the financial year ended 31 December 2024.
1006(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation, based on the total number of issued shares excluding treasury shares	27.8% (based on market capitalisation as at 18 June 2025)
1006(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to the proposed disposal of the Tuas Property as it is not an acquisition.
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable to the proposed disposal of the Tuas Property as it is not a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 30A Kallang Place #04-01 Singapore 339213 for a period of three (3) months from the date of this Announcement:

(a) the Option;
(b) the Updated Tuas Property Valuation; and
(c) the Tuas Property Valuation Report.

BY ORDER OF THE BOARD
TIONG SENG HOLDINGS LIMITED

Pay Sim Tee
Executive Director and CEO
18 June 2025