



**TIONG WOON CORPORATION HOLDING LTD**  
(Company Registration Number: 199705837C)  
Incorporated in Singapore

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## **PROPOSED ACQUISITION OF PROPERTY**

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### **1. INTRODUCTION**

The Board of Directors of Tiong Woon Corporation Holding Ltd (the “**Company**”), together with its subsidiaries (the “**Group**”) wishes to announce that on 12 January 2022, the Company through its wholly-owned subsidiary, Tiong Woon Tower Crane Pte. Ltd. (“**TWTC**”), had been granted by National Robex Pte. Ltd. (the “**Vendor**”) an option to acquire (the “**Option**”) an industrial premise (the “**Property**”) situated at 12 Benoi Place, Singapore 629932 (the “**Proposed Acquisition**”) from the Vendor for an aggregate cash consideration of S\$8,400,000 (the “**Consideration**”).

The Option was granted to TWTC on payment of S\$84,000 (1% of the Consideration). TWTC is required to make a further payment of S\$756,000 (9% of the Consideration) by 26 January 2022 to exercise the Option.

The Vendor is not related to any of the Directors or controlling shareholders of the Company and their respective associates.

### **2. DETAILS OF THE PROPERTY, RATIONALE FOR THE PROPOSED ACQUISITION AND CONDITIONS OF SALE**

The Property has a land area of approximately 13,718 square meters and a built-up area of approximately 8,805 square meters. It is presently leased by the Vendor from Jurong Town Corporation (“**JTC**”) for a tenure period of approximately 21 years and 7 months from 6 June 2009 till 31 December 2030.

Subject to the completion of the Proposed Acquisition, the Company intends to use the Property for the Group’s tower crane business.

The Proposed Acquisition is conditional upon, *inter alia*, the following:

- (a) the Vendor and TWTC obtaining (i) written approval from JTC and all other relevant Government Authorities for the Vendor to sell and TWTC to purchase all the interest of the Vendor in the Property comprised in the abovementioned lease with JTC and (ii) confirmation in writing from JTC that it has no objections to the execution of the instrument of transfer of the Property by the Vendor in favour of TWTC for the aforesaid sale and purchase (collectively, “**JTC Approval**”); and

- (b) TWTC obtaining approval from JTC and all other relevant Government Authorities for change of use of the Property to tower crane storage, fabrication and maintenance (collectively, “**Change of Use Approval**”).

Subject to, *inter alia*, the approvals in Clauses (a) and (b) being obtained, completion shall take place on the **latest** of the following dates:-

- (a) the date falling twelve (12) weeks from the date of exercise of the Option by TWTC;
- (b) the date falling four (4) weeks from the date of receipt of JTC Approval and Change of Use Approval; and
- (c) the date falling four (4) weeks from the date of receipt of JTC’s acceptance of the environmental baseline study (“**EBS**”) report on the Property, should JTC require that the EBS report on the Property dated 11 October 2021, which has been duly accepted by JTC, need to be updated.

Subject to there being no default refusal neglect or failure on the part of the Vendor and/or TWTC under the Option (in particular, in complying with any terms and conditions imposed by JTC in their JTC Approval and/or Change of Use Approval which is reasonably acceptable to the Vendor and TWTC), if JTC Approval and/or Change of Use Approval is not obtained within five (5) months from the date of acceptance of the Option by TWTC or such further extension of time as may be agreed between the parties hereto, then either party shall be at liberty to terminate the sale and purchase therein by written notice on their behalf to the other party’s solicitor whereupon the sale and purchase therein shall then be null and void and shall be treated as cancelled and rescinded and deemed abortive and the same shall be of no effect whatsoever. The Vendor shall refund to TWTC all monies paid by TWTC thereunder free of interest and neither party shall then have any further demand claim right or action against the other whether for costs damages compensation or otherwise.

### 3. THE CONSIDERATION AND FINANCING

The Consideration, which is exclusive of goods and services tax was determined based on arm’s length negotiations between the parties, and arrived at on a “willing-buyer and willing-seller” basis, after taking into consideration *inter alia* the location of the Property, the prevailing market conditions and the terms and conditions of the sale as set out in the Option. The Consideration was also determined taking into consideration the indicative valuation of S\$8,400,000 as at 5 January 2022 provided by PREMAS Valuers & Property Consultants Pte. Ltd. (the “**Valuer**”). The Valuer has been commissioned to perform an independent valuation of the Property, based on the market comparison approach, that is currently underway.

The Consideration will be paid by TWTC in cash to the Vendor as follows: (i) 1% upon grant of the Option, (ii) 9% upon exercise of the Option, and (iii) 90% upon completion of the Proposed Acquisition.

The Consideration will be funded by a combination of internal resources and bank borrowings.

#### 4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

(a) **Illustrative effects of the Proposed Acquisition on the Net Tangible Assets (“NTA”) and Earnings Per Share (“EPS”) of the Group**

The pro forma financial effects of the Proposed Acquisition on the Group have been prepared based on the Group’s audited consolidated financial statements for the financial year ended 30 June 2021. These pro forma financial effects are purely for illustrative purposes only and do not reflect the future actual financial position and results of the Group after the Proposed Acquisition.

(i) **Net Tangible Assets (“NTA”)**

Assuming that the Proposed Acquisition had been completed on 30 June 2021, the pro forma financial effects of the Proposed Acquisition on the NTA per share of the Group as at 30 June 2021 would have been as follows:

	<b>Before the Proposed Acquisition</b>	<b>After the Proposed Acquisition</b>
<b>NTA (S\$’000)</b>	270,918	270,918
<b>Number of issued shares excluding treasury shares (’000)</b>	232,235	232,235
<b>NTA per share (cents)</b>	116.66	116.66

(ii) **Earnings Per Share (“EPS”)**

	<b>Before the Proposed Acquisition</b>	<b>After the Proposed Acquisition</b>
<b>Profit after tax attributable to equity holders of the Company (S\$’000)</b>	9,873	8,923
<b>Weighted average number of shares (’000)</b>	232,235	232,235
<b>EPS (cents)</b>	4.25	3.84

**(b) Relative Figures Calculated on the Bases set out in Rule 1006 of the Listing Manual (the“Listing Manual”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”)**

<b>Rule 1006(a)</b>	The net asset value (“NAV”) of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.	Not applicable
<b>Rule 1006(b)</b>	The net profit attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable <sup>(1)</sup>
<b>Rule 1006(c)</b>	The aggregate value of the consideration given of S\$8,400,000, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares (based on the weighted average price of the Company's shares on the SGX-ST of S\$0.4617).	8% <sup>(2)</sup>
<b>Rule 1006(d)</b>	The 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
<b>Rule 1006(e)</b>	The 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.	Not applicable

**Notes:-**

- (1) Rule 1006(b) of the Listing Manual is not applicable as the Property is not a revenue-generating asset.
- (2) Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the 232,235,253 shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the Option.

As the relative figure calculated under Rule 1006(c) of the Listing Manual is more than 5% but is not more than 20%, the Proposed Acquisition is considered a discloseable transaction under Chapter 10 of the Listing Manual.

**5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

**6. DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**7. DOCUMENTS FOR INSPECTION**

A copy of the Option and the Property's valuation report (when it is ready) in respect of the Proposed Acquisition will be available for inspection during normal business hours at the Company's registered office at 15 Pandan Crescent Singapore 128470 for a period of three (3) months from the date of this announcement.

**8. OTHERS**

The Company will make further announcements in relation to the Proposed Acquisition as and when there are material developments.

By Order of the Board

Ang Kah Hong  
Executive Chairman  
12 January 2022