

TAI SIN ELECTRIC LIMITED

(Company Registration No. 198000057W)

(Incorporated in the Republic of Singapore)

BUSINESS UPDATE – COVID-19 OUTBREAK

The Board of Directors (“**Board**”) of Tai Sin Electric Limited (“**Tai Sin**”) together with its subsidiaries, (“**Group**”) wishes to provide updates in respect of its business operations amid the Covid-19 outbreak and the pandemic management measures that have been gradually introduced by Singapore and other nations around the world since January 2020.

Singapore Operations

On 3 April 2020, Singapore introduced enhanced safe distancing measures, including the closure of workplace premises, as a circuit breaker to pre-empt the trend of further local transmission of Covid-19 in Singapore. Apart from essential services and their related supply chains, business activities that cannot be conducted through telecommuting or other means from home were suspended from 7 April 2020 to 4 May 2020.

On 18 April 2020, it was announced that all foreign employees from the construction sector on work permit and S pass holders and their dependents, would be served with a Stay-Home-Notice (“SHN”), for 14 days to be effective from 20 April 2020. Subsequently on 1 May 2020, the SHN for all such workers and their dependents were extended by another 14 days from 4 May 2020.

On 21 April 2020 tighter measures were introduced to further reduce the local transmission of Covid-19 in Singapore, including the closure of more work premises and restriction of movement of workers residing in dormitories. In addition, the Circuit Breaker Period would be extended by another 4 weeks until 1 June 2020.

The Cable & Wire (“**C&W**”) Segment’s business in Singapore is considered essential services and its business operations are currently permitted during the Circuit Breaker Period, albeit with a reduction in workforce. Business and delivery orders are however slow as many of our customers are operating on a reduced capacity.

The Electrical Material Distribution (“**EMD**”) Segment has been least affected so far as compared to the Group’s other Singapore operations, as it was allowed to continue operations during the Circuit Breaker Period. EMD business activities include supplying of electrical and safety products and solutions for the maintenance, repair, operations and application needs for a wide range of industries providing essential services. However, with tighter measures involving SHN for construction sector foreign workers and closure of more work places, EMD business has been dampened.

The Test & Inspection (“**T&I**”) Segment obtained approval to operate under essential services during the Circuit Breaker Period. However, a significant portion of its employees are foreign workers holding work permit or S pass classified under the construction sector. Such workers were served with SHNs effective from 20 April 2020 to 4 May 2020 which were subsequently extended to 18 May 2020.

Since 15 April 2020, some of our foreign workers have tested positive for Covid-19 as the Authorities continued to extensively test foreign workers staying in dormitories. They are currently being properly cared for.

In view of the above events and circumstances, activities of the T&I Segment is much curtailed, although it is allowed to operate during the Circuit Breaker Period.

Malaysia Operations

On 18 March 2020, Malaysia issued a nationwide Movement Control Order (“MCO”) to address the Covid-19 outbreak. The MCO has since been extended until 12 May 2020.

C&W operations in Malaysia were shut from 18 March 2020 to 24 April 2020 as a result of the MCO. Approval was obtained from the Malaysian authorities to operate as essential services from 23 April 2020. Operations commenced on 27 April 2020 with a reduced headcount and strict social distancing measures.

The T&I Segment was severely affected by the MCO in Malaysia, since 18 March 2020. We could only perform activities at customer sites which had approval to operate.

Vietnam and Indonesia Operations

In these two countries, C&W as well as T&I operations were allowed to carry on as usual but with social distancing practices as advised by the relevant authorities.

Business Outlook

With the Covid-19 outbreak ongoing and uncertainty over how long the outbreak will last, the Group expects its revenue and financial performance to be adversely impacted to the extent where its relevant operations have ceased or diminished due to the Circuit Breaker Period.

In addition, copper prices have also declined significantly from January 2020, reaching a low in March 2020 before seeing some slight recovery. Tai Sin as part of its business strategy routinely hedges to lock in the price of copper, based on the needs of the C&W Segment determined by actual contracts secured. Unless copper prices recover, the unanticipated decline in copper price would give rise to losses on fair value derivative financial instruments taken to profit or loss, when the Tai Sin Group next announces its results for the full year ending 30 June 2020.

The Company is unable to assess the actual extent of the business and financial impact of the Covid-19 outbreak at this juncture but will closely monitor the situation and provide further updates to shareholders as and when any material developments arise.

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Mr. Tan Shou Chieh
Secretary

Singapore, 5 May 2020