

DISPOSAL OF ENTIRE INTEREST IN AN INDIRECT SUBSIDIARY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Tai Sin Electric Limited (the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”) wishes to announce that CAST Laboratories Pte Ltd (“**CLPL**”), a wholly-owned subsidiary of the Company, has on 11 October 2024 entered into a sale and purchase agreement (the “**S&P**”) with Mr. Ouk Sambok (the “**Purchaser**”), pursuant to which CLPL has agreed to sell, and the Purchaser has agreed to purchase, CLPL’s entire 21,250 ordinary shares (the “**Sale Shares**”) in the share capital of CAST Laboratories (Cambodia) Co., Ltd. (“**CAST Cambodia**”), representing 100% of the ordinary shares of CAST Cambodia, for a total cash consideration of USD1,500,000 (the “**Consideration**”) on the terms and conditions of the S&P (the “**Disposal**”).

The Purchaser is an independent third party engaged in the business of Real Estate Development in Cambodia.

Following completion of the Disposal (the “**Completion**”), CAST Cambodia will cease to be an indirect wholly-owned subsidiary of the Company.

2. THE DISPOSAL

2.1 Rationale for the Disposal

CAST Cambodia is principally engaged in providing laboratories technical testing and analysis services. The Company is of the view that the Disposal will be in the best interests of the Company as CAST Cambodia has been making losses since incorporation and due to the lack of enforcement of testing requirements by the government regulator, the business activities of CAST Cambodia did not materialise as forecasted. The Disposal will allow the Group to limit losses on CAST Cambodia and focus on business of the Test & Inspection Segment in other countries that are profitable.

2.2 Consideration for the Disposal

The Consideration was arrived at on a “willing-buyer, willing-seller” basis after arm’s length negotiation at USD 1.50 million (equivalent to approximately SGD 1.96 million), and taking into account among others, the audited financial statements for the financial year ended 30 June 2024 of CAST Cambodia. No independent valuation was conducted on CAST Cambodia.

As at 30 June 2024, based on the audited financial statements of CAST Cambodia for the financial year ended 30 June 2024, the net liability value represented by the Sale

Shares was -USD 2.01 million (equivalent to -SGD 2.73 million).

The Consideration will be paid in full by the Purchaser upon Completion.

2.3 Gain on Disposal and Use of Proceeds from the Disposal

The net gain attributable to the Sale Shares based on the scheduled Completion on 30 October 2024 will approximately be USD 2.98 million (equivalent to approximately SGD 3.96 million).

The proceeds from the Disposal are intended to be used to partially repay loan taken up for the original investment of CAST Cambodia.

2.4 Completion

The Completion is expected to take place on or about 30 October 2024, i.e. within one (1) month from the date of signing of the S&P, or such other date that CLPL and the Purchaser may mutually agree to in writing.

3. **FINANCIAL EFFECTS OF THE DISPOSAL**

The financial effects of the Disposal on the net tangible assets ("**NTA**") per share, the earnings per share and the share capital of the Company as set out below are presented for illustrative purposes only and do not reflect the future financial position of the Group following completion of the Disposal. The financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2024 ("**FY2024**"), being the most recently completed financial year.

NTA

Purely for illustrative purposes only and assuming that the Disposal had been completed on 30 June 2024, being the end of FY2024, the effect on the NTA per share as at 30 June 2024 is as follows:

	Before the Disposal	After the Disposal
NTA (S\$'million)	206.76	210.79
NTA per share (Singapore cents)	44.92	45.80

Note: Based on a total of 460,261,841 issued ordinary shares (excluding treasury shares) as at 30 June 2024.

Earnings

Purely for illustrative purposes only and assuming that the Disposal had been completed on 1 July 2023, being the beginning of FY2024, the effect on the earnings per share for FY2024 is as follows:

	Before the Disposal	After the Disposal
Profit attributable to shareholders (S\$'million)	14.60	18.92
Weighted average number of shares ('000)	460,262	460,262
Earnings per share (Singapore cents)	3.17	4.11

Share Capital

As no shares will be issued in connection with the Disposal, the Disposal will not have any impact on the issued share capital of the Company.

4. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

The applicable relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value ⁽¹⁾	-1.66%
(b)	Net profits ⁽²⁾ attributable to the assets ⁽³⁾ disposed of, compared with the Group's net profits ⁽⁴⁾	-16.37%
(c)	The aggregate value of the consideration received ⁽⁵⁾ , compared with the market capitalisation of the Company ⁽⁶⁾	1.05%

Notes:

- (1) The net liability value represented by the Sale Shares as at 30 June 2024 was -USD 2.01 million (equivalent to -SGD 2.73 million). The Group's net asset value was SGD 208.65 million based on the latest announced audited consolidated financial statements of the Group for FY2024. As part of the Disposal, all inter-company balances between the Group and CAST Cambodia up to the Completion date will be written-off. As at 30 June 2024, CAST Cambodia inter-company payables to the Group was SGD 0.73 million.
- (2) "Net profits" means profit or loss before income tax and non-controlling interests.

- (3) The audited net loss of CAST Cambodia for FY2024 was -USD 2.48 million (equivalent to -SGD 3.34 million).
- (4) Based on the latest announced audited consolidated financial statements of the Group for FY2024, the Group's net profits were SGD 20.43 million.
- (5) The aggregate value of Consideration of USD 1.50 million (equivalent to approximately SGD 1.96 million).
- (6) The market capitalisation of the Company is based upon a total number of 460,261,841 ordinary shares in issue (excluding treasury shares) as at 10 October 2024, at the volume-weighted average price of SGD0.405 per share transacted on 10 October 2024, being the market day preceding the date of the S&P.

As one of the applicable relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST exceeds 5% but does not exceed 20%, the Disposal constitutes a discloseable transaction as defined in Chapter 10 of the Listing Manual of the SGX-ST.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above-mentioned transaction, save for their shareholdings (if any) in the Company.

Mr. Lim Eng Heng, Chief Executive Officer and a Director of CLPL, is currently the sole director of CAST Cambodia and he will resign as the sole director of CAST Cambodia upon completion of the Disposal.

6. SERVICE CONTRACTS OF DIRECTORS

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

7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the S&P is available for inspection at the registered office of the Company, at 24 Gul Crescent, Singapore 629531, during normal business hours for a period of three (3) months from the date of this announcement.

By Order of the Board

Hazel Chia
Company Secretary

11 October 2024