

**MUTUAL TERMINATION OF LAND USE RIGHTS AGREEMENT AND REACQUISITION OF
STATE-OWNED LAND AND BUILDINGS IN ZIZHULIN, TIANJIN**

1. INTRODUCTION

The Board of Directors (the "**Board**") of Tiong Seng Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its subsidiary, Tianjin Zizhulin Development Co., Ltd. (天津紫竹林置业发展有限公司) ("**Tianjin Zizhulin**"), has mutually agreed with the Tianjin Municipal Bureau of Planning and Natural Resources (天津市规划和国土资源局) ("**Tianjin Municipal Authority**") to terminate the relevant land use rights agreement entered into between the Group and the Tianjin Municipal Authority in relation to a plot of state-owned land and the buildings situated thereon located in Zizhulin, Tianjin, the People's Republic of China ("**PRC**") which was slated for commercial development and was in the planning stage (the "**Zizhulin Property**"), and for the Tianjin Municipal Authority to reacquire the Zizhulin Property and pay compensation to Tianjin Zizhulin (the "**Reacquisition**").

2. BACKGROUND ON TIANJIN ZIZHULIN, THE ZIZHULIN PROPERTY AND THE REACQUISITION

2.1 Information on Tianjin Zizhulin

Tianjin Zizhulin was incorporated on 12 December 2003 as a project company to bid for and undertake the Zizhulin Property redevelopment project.

As at the date of this announcement, the Group holds a 95.65% shareholding interest in Tianjin Zizhulin, and the remaining 4.35% shareholding interest in Tianjin Zizhulin is held by an unrelated third party which is the Group's local partner, Tianjin City Tianmen Property Co., Ltd. (天津市天门置业有限公司).

Tianjin Zizhulin is also the holding company of other PRC subsidiaries of the Group which own investments and projects in Tianjin.

2.2 Information on the Zizhulin Property

The Zizhulin Property is located at the intersection of Chifeng Road and Zhangzizhong Road in Heping District, Tianjin, the PRC and has a land area of 7,947.6 square metres. A retrofitted former French barracks comprising five blocks with a total gross floor area of 5,500 square metres is situated on the Zizhulin Property.

On 27 April 2006, Tianjin Zizhulin entered into an agreement with the Tianjin Municipal Authority and an unrelated third party which was the initial grantee to acquire the land use rights in respect of the Zizhulin Property, for a term of 50 years from the date of issuance of the land use permit, and to redevelop the Zizhulin Property up to a gross floor area of 12,000 square metres. As part of such redevelopment, the Group had planned to redevelop the Tianjin Property by conserving the retrofitted former French barracks comprising a gross floor area of 5,500 square metres and constructing additional gross floor area of 6,500 square metres.

2.3 Background to the Reacquisition

As part of the terms of the redevelopment of the Zizhulin Property agreed with the Tianjin Municipal Authority, the occupants residing within the retrofitted former French barracks had to first be resettled before the building could be redeveloped. In this regard, as part of the preparatory work undertaken for the project, the Group had commenced and had partially completed the resettlement of the residents.

However, due to subsequent changes in the relevant laws, regulations and land use policies of the Tianjin government, the Group's aforesaid plans to redevelop the Tianjin Property could no longer be carried out. Following this development, the Group had put on hold the resettlement of the residents and had commenced negotiations with the Tianjin Municipal Authority with a view towards achieving a mutually acceptable resolution.

The Reacquisition of the Zizhulin Property (including the buildings thereon) by the Tianjin Municipal Authority is currently expected to be completed by June 2025.

3. COMPENSATION FOR THE REACQUISITION

Under the terms agreed with the Tianjin Municipal Authority, the total compensation due to Tianjin Zizhulin in connection with the Reacquisition is RMB185,419,925 (equivalent to approximately S\$34,504,794¹) (the "**Compensation Amount**"). As at the date of this announcement, RMB20,000,000 (equivalent to approximately S\$3,721,800) of the Compensation Amount has been paid to the Group, and the balance of the Compensation Amount will be paid to the Group upon the Heping District Government's written confirmation. The Group is closely following up with the Tianjin Municipal Authority and the Heping District Government with a view to expediting the payment of such balance amount, which is expected to be paid by end-September 2025.

The Compensation Amount was determined after arm's length negotiations between Tianjin Zizhulin and the Tianjin Municipal Authority, taking into account, among other things, two separate valuations of the land use rights to be reacquired, which were each conducted by independent third party valuation firms under the Tianjin Municipal Land Valuation Association (天津市土地评估协会) in July 2021 and were jointly commissioned by Tianjin Zizhulin and a subordinate unit of the Tianjin Municipal Authority (the "**Valuation Reports**"). Based on the Valuation Reports, the average of the market values of the land use rights for the Zizhulin Property to be reacquired is RMB185,732,006 (equivalent to approximately S\$34,562,869).

The net asset value of the Zizhulin Property is RMB99,897,882 (equivalent to approximately S\$18,589,997) as at 31 December 2024. The excess of the Compensation Amount over the net asset value of the Zizhulin Property is RMB85,522,043 (equivalent to approximately S\$15,914,797).

As part of the agreed terms of the Reacquisition, upon receipt of the initial payment of RMB20,000,000, Tianjin Zizhulin had paid a fee of RMB16,000,000 (equivalent to approximately S\$2,977,440) to the Heping District Government to cover clearance and maintenance costs in connection with the handing over of the Zizhulin Property.

¹ For the purpose of this announcement, the exchange rate of RMB1 : S\$0.18609 has been used, being the exchange rate as at 31 December 2024, for better comparison with the financial results of the Group for the financial year ended 31 December 2024 referred to in this announcement.

Accordingly, Tianjin Zizhulin expects to record a total gain of approximately RMB59,768,319 (equivalent to approximately S\$11,122,286) after deducting acquisition and development costs, the aforesaid RMB16,000,000 fee and taxes.

4. FINANCIAL EFFECTS OF THE REACQUISITION

4.1 Net tangible asset ("NTA") per share

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("FY2024"), assuming that the reacquisition had been completed on 31 December 2024, the financial effects on the NTA per share for FY2024 are as follows:

As at 31 December 2024	Before the Reacquisition	After the Reacquisition
NTA (S\$'000)	73,162	84,284
NTA per Share ⁽¹⁾ (cents)	15.87	18.28

Note:

- (1) Based on 461,076,649 Shares (excluding treasury shares and subsidiary holdings). As at 31 December 2024, the issued and paid-up share capital of the Company comprises 441,076,649 Shares (excluding treasury shares and subsidiary holdings). On 20 January 2025, the Company announced the completion of the placement of 20,000,000 Shares in the share capital of the Company (the "**Placement**"). For purposes of the computation of NTA above, it is also assumed that the Placement had been completed on 31 December 2024.

4.2 Earnings per Share ("EPS")

Based on the audited consolidated financial statements of the Group for FY2024, assuming that the Reacquisition had been completed on 1 January 2024, the financial effects on the EPS for FY2024 are as follows:

For FY2024	Before the Reacquisition	After the Reacquisition
Net profit attributable to shareholders of the Company (S\$'000)	2,858	13,980
EPS ⁽¹⁾ (in cents)	0.62	3.03

Note:

- (1) Based on 461,076,649 Shares (excluding treasury shares and subsidiary holdings), as explained in Note (1) of paragraph 4.1 above.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest in the Reacquisition, save for their shareholdings (if any) in the Company.

6. CHAPTER 10 OF THE LISTING MANUAL

The Reacquisition is not a disposal falling within the ambit of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), but is in substance a reacquisition of state-owned land by the Tianjin Municipal Authority following the inability of the

Group to consummate the redevelopment project as a result of changes in the relevant laws, regulations and policies. Accordingly, Chapter 10 of the Listing Manual is not applicable.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when there are any material updates or developments in relation to the foregoing.

BY ORDER OF THE BOARD

Pay Sim Tee
Executive Director and Chief Executive Officer
28 May 2025