

# TAI SIN ELECTRIC LIMITED

(Company Registration No. 198000057W)

(Incorporated in the Republic of Singapore)

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## ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

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The Board of Directors of Tai Sin Electric Limited (“**Tai Sin**” or “**the Company**”) wishes to announce the following transactions pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), which occurred during the financial half year ended 31 December 2021:

(a) **Acquisition of Nishiden (Malaysia) Sdn Bhd (“Nishiden”) may not be completed**

On 2 August 2021, Tai Sin entered into a Sale and Purchase Agreement (“**SPA**”) to acquire 100% of the ordinary shares in Nishiden, a company incorporated in Malaysia at an aggregate price of S\$1,400,000.

Nishiden has a total issued and paid-up share capital of RM1,300,000 comprising 1,300,000 ordinary shares.

The principal activities of Nishiden are of fabricating of copper wiring, cables and other related parts.

The Purchase Consideration was arrived after negotiations between the Parties on a willing buyer willing seller basis and taking into account the audited financial statements of Nishiden for the year ended 31 December 2020 showing a loss of RM871,875 and net asset value of RM2,672,051.

The Purchase Consideration will be satisfied in cash and financed by Tai Sin’s internal funds.

The rationale for the acquisition of Nishiden is to enable Tai Sin to expand its product range offering in the market.

Among the conditions precedent for completion of the SPA on 1 March 2022 (or such other date as the Parties may agree) is the requirement for Nishiden to have successfully renewed the tenure of two existing tenancy agreements for two adjacent properties used by Nishiden until 30 June 2024 on the same terms and conditions comprised in the existing tenancy agreements.

Subsequent to the signing of the SPA, Tai Sin was informed by Nishiden that one of the tenanted properties was sold by the landlord and that it appears unlikely that the new landlord will extend the tenancy of the premises.

Under the SPA, the Parties agreed to co-operate with each other and undertook to use commercially reasonable endeavours to ensure that their respective conditions precedent are fulfilled as soon as reasonably practicable and in any event, before 5.00 p.m. on 31 March 2022.

At this juncture, it is uncertain whether the acquisition of Nishiden will be successfully completed.

Tai Sin will update shareholders of the outcome by making an appropriate announcement after 31 March 2022.

**(b) Incorporation of Electgo Pte Ltd**

On 15 September 2021, Lim Kim Hai Electric Co (S) Pte. Ltd., a wholly owned subsidiary of Tai Sin, incorporated a wholly-owned subsidiary ElectGo Pte. Ltd. ("ElectGo") in Singapore.

On 18 October 2021, the issued and fully paid-up share capital of ElectGo was increased to \$300,000 comprising 300,000 ordinary shares.

ElectGo's principal activities are those of online sales of electrical, control, lighting and safety products.

The above mentioned transactions are not expected to have any material effect on the earnings per share and net tangible assets per share of the Tai Sin Group in the current financial year ending 30 June 2022.

None of the directors or substantial shareholders of Tai Sin has any interest, direct or indirect (other than through Tai Sin), in the above mentioned transactions.

BY ORDER OF THE BOARD

Mr. Tan Shou Chieh  
Secretary

Singapore, 14 February 2022