



TUAN SING HOLDINGS LIMITED
(Company Registration No. 196900130M)
(Incorporated in Singapore)

**THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL IN
39 ROBINSON ROAD PTE. LTD.**

1. THE PROPOSED DISPOSAL

The Board of Directors (the “**Board**”) of Tuan Sing Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that Robinson Point Limited (the “**Vendor**”), a wholly-owned subsidiary of the Company, has on 6 August 2020 entered into a binding option agreement (“**Option Agreement**”) with One South Bay Group Company Limited (the “**Purchaser**”, together with the Vendor, the “**Parties**”) in respect of the proposed disposal (the “**Proposed Disposal**”) of 100% of the issued shares in the capital (“**Target Company Shares**”) of 39 Robinson Road Pte. Ltd. (“**Target Company**”), subject to a definitive legally binding agreement to be negotiated, and if agreed, entered into between the Parties as further detailed below.

2. INFORMATION ON THE PURCHASER, PROPOSED DISPOSAL AND THE PROPERTY

- 2.1 The Purchaser is a company incorporated in the British Virgin Islands and is an investment holding company. The Purchaser is an independent third party and is not related to the Company, the Group, the Directors or the controlling shareholders (as defined in the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) of the Company.
- 2.2 As at the date of this announcement, the Target Company is the registered owner of 39 Robinson Road, Singapore 068911 (the “**Property**”).
- 2.3 Pursuant to the Option Agreement, the Proposed Disposal contemplates that the Vendor shall dispose the Target Company Shares to the Purchaser, subject to the terms of a sale and purchase agreement in relation to the sale and purchase of the Target Company Shares (“**Sale and Purchase Agreement**”) to be negotiated, and if agreed, entered into between the Parties.
- 2.4 The Property is a 21-storey freehold commercial building in the heart of Singapore’s Central Business District. The building comprises approximately 15,700 square metres of gross floor area, with retail units on the ground floor.
- 2.5 The Company had last carried out a desktop valuation on 31 December 2019 in respect of the Property by appointing Colliers International Consultancy & Valuation (Singapore) Pte Ltd as an independent valuer. Based on the valuation report issued, the market value of the Property is S\$374,400,000.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1 Consideration

The aggregate value of the consideration for the Proposed Disposal is S\$500,000,000 (“**Consideration**”) and shall comprise:

- (a) the First Deposit (as defined below);
- (b) the Second Deposit (as defined below); and

- (c) the Completion Amount (as defined below) to be paid by the Purchaser to the Vendor (or as it may direct) in accordance with the terms of the Sale and Purchase Agreement.

The Consideration was arrived at pursuant to arm's length negotiations between the Vendor and the Purchaser on a willing buyer willing seller basis, after taking into account prevailing market conditions, and the rationale for the Proposed Disposal as disclosed in paragraph 4 below.

3.2 First Deposit

Upon the signing of the Option Agreement, the Purchaser shall pay to the Vendor (or the Company) a non-refundable deposit for the sum of S\$5,000,000 in cash (being 1% of the Consideration) within three (3) days (excluding Saturdays, Sundays and public holidays) on which banks generally are open in Singapore and Hong Kong for the transaction of normal banking business ("**Business Days**") from the date of the Option Agreement ("**First Deposit**"). Subject to the receipt of the First Deposit by the Vendor (or the Company) and in consideration of the First Deposit, the Parties have agreed to an exclusivity period from the date of receipt of the First Deposit by the Vendor (or the Company) ("**Receipt Date**") until the date falling 90 days after the Receipt Date ("**Exclusivity Period**") to, *inter alia*, carry out due diligence in respect of the records of the Target Company and negotiate and enter into the Sale and Purchase Agreement.

If the Sale and Purchase Agreement is not entered into by the expiry of the Exclusivity Period, the First Deposit shall be forfeited and the Purchaser shall waive all rights in respect of the First Deposit, and each Party shall have no claim against the other under the Option Agreement (except for antecedent breaches), provided that the First Deposit shall be refunded to the Purchaser upon the Purchaser's written request in any one or more of the following events:

- (a) the results of the Purchaser's due diligence show that:
 - (i) the Vendor does not have beneficial title to the Property; or
 - (ii) there is any non-remediable defect in title to the Property; or
 - (iii) there is any material defect in the physical structure of the Property; or
- (b) the results of the Purchaser's due diligence shows that there have been breaches in any material respect by the Vendor of applicable laws and regulations in respect of the Target Company and/or the Property, and such breaches are not capable of being remedied by the Vendor within a reasonable time.

3.3 Principal Terms of the Sale and Purchase Agreement

During the Exclusivity Period, the Vendor and the Purchaser shall enter into negotiations in good faith on the terms and conditions of the Sale and Purchase Agreement. Pursuant to the Option Agreement, the Sale and Purchase Agreement shall include, amongst others, the following terms and conditions:

- (a) on the date of the signing of the Sale and Purchase Agreement, the Purchaser shall furnish the Vendor with a cashier's order for the sum of S\$45,000,000 (being 9% of the Consideration) ("**Second Deposit**") issued in favour of the Vendor (or as it may direct) or such other mode of payment as mutually agreed by the Parties, which together with the First Deposit shall form the deposit referred to in the Sale and Purchase Agreement to be held by the Vendor (or on its behalf) pending completion ("**Completion**") of the sale and purchase of the Target Company Shares and to be dealt with in accordance with the terms of the Sale and Purchase Agreement;

- (b) on Completion, the Purchaser shall pay to the Vendor (or as it may direct) the balance of the Consideration together with adjustments (if any) thereon as may be agreed in accordance with the terms set out in the Sale and Purchase Agreement (“**Completion Amount**”);
- (c) the Property is sold by way of the sale of the Target Company Shares;
- (d) Completion is subject to such other consents or approvals as may be required by the Target Company, the Vendor and/or the Company from relevant authorities, regulators, financiers, shareholders and/or third parties in connection with the Proposed Disposal (“**Conditions Precedent**”), including but not limited to consents or approvals for the purpose of complying with the requirements under:
 - (i) all applicable laws and regulations including, without limitation, the Listing Manual, provided that the Company shall use its best endeavours to seek clearance from the SGX-ST after the date of the Sale and Purchase Agreement; and
 - (ii) the terms and conditions of the Company’s S\$900,000,000 Multicurrency Medium Term Note Programme;
- (e) subject to the fulfilment of all the Conditions Precedent, Completion shall take place on the date falling ten (10) Business Days from the satisfaction of the last Condition Precedent, and shall be no later than seven (7) months from the date of execution of the Sale and Purchase Agreement, or such other date as may be mutually agreed in writing between the Parties, whichever is the later;
- (f) the Purchaser shall be responsible for and bear all applicable stamp duties in relation to the transfer of the Target Company Shares;
- (g) customary representations and warranties for transactions of this nature as agreed between the Parties, including but not limited to the power and authority of the Parties to enter into the transactions contemplated under the Sale and Purchase Agreement, title to the Target Company Shares, title to the Property and there being no litigation against the Target Company; and
- (h) the First Deposit shall be refunded to the Purchaser within five (5) Business Days upon the Purchaser’s written request stating the occurrence of the following:
 - (i) if the consents or approvals set out in paragraph 3.3(d)(i) and 3.3(d)(ii), if required, are not obtained by the Vendor and/or the Company by Completion without any fault or default by the Purchaser; and/or
 - (ii) if the Vendor unilaterally refuses to complete the Proposed Disposal at Completion without any fault or default by the Purchaser.

3.4 Termination of the Option

The Option Agreement shall automatically terminate and cease to have any effect (except for antecedent breaches and except as set forth therein) upon the earliest of the occurrence of the following events:

- (a) if the First Deposit is not received by the Vendor (or the Company) by 11.59pm on the third Business Day from the date of the Option Agreement; or
- (b) the expiry of the Exclusivity Period; or
- (c) the Parties’ entry into the Sale and Purchase Agreement prior to expiry of the Exclusivity Period.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The rationale for the Proposed Disposal is to improve capital allocation and optimise returns for the Company's shareholders, which is in line with the Company's proactive asset management strategy.

5. CHAPTER 10 OF THE LISTING MANUAL

5.1 Relative figures

The relative figures for the Proposed Disposal, assuming a consideration of S\$500,000,000 (before deductions for transactional expenses expected to be incurred in connection with the Proposed Disposal) computed on the bases set out in Rule 1006 of the Listing Manual and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2019 are set out below:

Rule 1006	Bases	Relative Figures (%) ⁽¹⁾
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	7.0%
(b)	Net profit attributable to the assets disposed of, compared with the Group's net profits	13.1%
(c)	Aggregate value of the consideration received compared with the market capitalisation of the Company (based on the total number of issued shares, excluding treasury shares)	157.0% ⁽²⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

Notes:

(1) Percentage figures are rounded to the nearest one (1) decimal place.

(2) As at 5 August 2020, being the last market day preceding the date of the Option Agreement, the number of issued shares (excluding treasury shares) of the Company was 1,188,226,582 and the weighted average price traded on the SGX-ST was S\$0.268.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1 Illustrative Nature of Financial Effects

The financial effects of the Proposed Disposal on the net tangible assets ("NTA") per share and earnings per share ("EPS") of the Group have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2019. The financial effects below are purely for illustrative purposes.

6.2 NTA

Assuming that the Proposed Disposal had been effected on 31 December 2019 (being the end of the most recently completed financial year ended 31 December 2019), the effects on the NTA per share of the Group would be as follows:

	Before Proposed Disposal	After Proposed Disposal
NTA (S\$ million)	1,102.4	1,230.7
Number of shares ('million)	1,186.2	1,186.2
NTA per ordinary share (cents)	92.9	103.7

6.3 EPS

Assuming that the Proposed Disposal had been effected on 1 January 2019 (being the beginning of the most recently completed financial year ended 31 December 2019), the effects of the Proposed Disposal on the EPS of the Group would be as follows:

	Before Proposed Disposal	After Proposed Disposal
Profit attributable to shareholders (S\$ million)	33.2	156.4
Weighted average no. of ordinary shares – Basic ('million)	1,186.1	1,186.1
EPS (cents) - Basic	2.8	13.2

6.4 Profit on Disposal

Based on the foregoing, the Group would expect to realise a gain on disposal of approximately S\$128.3 million.

6.5 Shareholders' approval required

Rule 1014 of the Listing Manual provides that where any of the relative figures computed on the bases set out in Rule 1006 exceeds 20%, the transaction is classified as a major transaction and such transactions are subject to approval by shareholders at an extraordinary general meeting to be convened, unless waived or exempted by the SGX-ST.

Accordingly, the Proposed Disposal is classified as a major transaction and it is subject to approval by the Company's shareholders at an extraordinary general meeting to be convened after the signing of the Sale and Purchase Agreement, unless waived or exempted by the SGX-ST.

7. USE OF PROCEEDS

The excess of the gross proceeds from the Proposed Disposal (before (a) deductions for transactional expenses to be incurred in connection with the Proposed Disposal and (b) the repayment of the Target Company's borrowings) over the net asset value of the Target Company as at 31 December 2019 (being approximately S\$77.3 million) is approximately S\$422.7 million.

The net proceeds from the Proposed Disposal after the repayment of the Target Company's borrowings of approximately S\$294.4 million as at 31 December 2019 (but before deductions for transactional expenses) in excess of the net asset value of the Target Company as at 31 December 2019 (being approximately S\$77.3 million) is approximately S\$128.3 million.

The Group intends to deploy the net proceeds, after deductions for transactional expenses and the repayment of the Target Company's borrowings, for general working capital/corporate purposes in connection with the requirements of the Group's businesses and operations, including, where appropriate, the repayment of the Group's borrowings.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Proposed Disposal, otherwise than through their interests in shares of the Company.

9. DIRECTORS' SERVICE CONTRACTS

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Option Agreement are available for inspection at the registered office of the Company at 9 Oxley Rise, #03-02, The Oxley, Singapore 238697, during normal business hours on any weekday for three (3) months from the date of this announcement.

11. CAUTIONARY STATEMENT

Shareholders of the Company should note that there is no certainty or assurance that the Sale and Purchase Agreement in respect of the Proposed Disposal will be entered into, or that the Proposed Disposal will be completed. Accordingly, shareholders of the Company are advised to exercise caution when trading in the shares of the Company. The Company will make the necessary announcements when there are further developments on the Proposed Disposal and other matters contemplated by this announcement. 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

William Nursalim alias William Liem
Chief Executive Officer
7 August 2020