SHS HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197502208Z)

THE PROPOSED DIVESTMENT OF THE ENTIRE SHAREHOLDING INTEREST IN TLC MODULAR PTE LTD.

1. <u>INTRODUCTION</u>

1.1 The board of directors (the "**Board**" or "**Directors**") of SHS Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly owned subsidiary, Hetat Holdings Pte. Ltd. ("**Hetat**") had on 9 February 2021 entered into a sale and purchase agreement ("**SPA**") for the sale of its entire shareholding interest comprising of 6 fully paid ordinary shares ("**Sale Shares**") in TLC Modular Pte. Ltd. ("**TLC Singapore**") to TLC Holdings II Pte. Ltd. ("**Buyer**"). GS NZ Strategic Holdings Pte. Ltd. ("**GSNZS**"), is also a party to the SPA, as guarantor for the Buyer in respect of the Buyer's obligations under the SPA, and to receive the benefit of various warranties and indemnities under the SPA.

1.2. Hetat owns 60% shareholding interest in TLC Singapore and TLC Modular Construction JSC ("**TLC JSC VN**"). TLC Modular Manufacturing (Vietnam) Co., Ltd ("**TLC Ltd VN**") and TLC Modular & Construction (NZ) Pty Limited ("**TLC NZ**") are 100% owned by TLC Singapore. TLC Singapore, TLC JSC VN, TLC Ltd VN and TLC NZ herein are referred to individually as a "**Target Group Company**", and collectively as the "**Target Group**" or "**Target Group Companies**"). Please refer to Appendix 1 in this Announcement for a diagrammatic illustration of the Target Group structure. Upon Completion, Hetat would have disposed of its entire shareholding interest in the Target Group as reflected in Part 2 of Appendix 2 herein, and the Target Group Companies will cease to be subsidiaries of the Group ("**Proposed Divestment**"). Please refer to the rationale for and benefits to the Group arising from the Proposed Divestment, details of which are set out in paragraph 4 of this Announcement.

1.3. The Proposed Divestment constitutes a "major transaction" under Rule 1014 in Chapter 10 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), and will require the approval of the shareholders of the Company (the "**Shareholders**") being obtained at an extraordinary general meeting (the "**EGM**") to be convened. Further, pursuant to Rule 1014(5) of the Listing Manual, if any of the relative figures computed on the basis of Rule 1006 of the Listing Manual exceeds 75%, a competent and independent valuer must be appointed by the Company to value the assets to be disposed. The Company will be applying to the SGX-ST for a waiver of the said Shareholders' approval requirement from the SGX-ST and clarification on the applicability of Rule 1014(5) to relative figures involving negative figures. The Company will make necessary announcements when there are further material developments in relation thereto. For further details on the relative figures in respect of the Proposed Divestment computed on the bases set out in Rule 1006 of the Listing Manual, please refer to paragraph 3 of this Announcement.

1.4. Completion of the Proposed Divestment under the SPA ("**Completion**") is conditional upon, *inter alia*, a corporate restructure being undertaken ("**Restructure**") so that on Completion, the Buyer would be able to obtain the Sale Shares and 60% ownership of the Target Group Companies. Please refer to paragraph 2.5 of this Announcement for further information on the Restructure and certain other Conditions of the Proposed Divestment.

1.5. In addition, Hetat has provided certain warranties under the SPA ("**Warranties**") to, and agreed to indemnify, GSNZS for certain liabilities for tax suffered by any Target Group Company ("**Tax Indemnity**") in accordance with the limitations set out in the SPA. As such, Hetat had on 9 February 2021 entered into a deed of indemnity ("**Indemnity Deed**") with Thao Li International

Pte. Ltd. ("**TLI**"), which is the 40% shareholder of TLC Singapore, Alistair William Raglan Sawer ("**AS**"), who holds 50% shareholding interest in TLI and Robert Alexander Stone (collectively, the "**Obligers**"), wherein the Obligors agree to provide a back-to-back indemnity with respect to the Warranty and Tax Indemnity claims that the Buyer or GSNZS may make against Hetat. Please refer to paragraphs 2.6(b) to (d) of this Announcement for further information on the Warranties, Tax Indemnity and Indemnity Deed.

1.6. To maintain the solvency of TLC Singapore, TLC JSC VN and their respective subsidiaries ("**Target Group**") until Completion, Hetat had on 9 February 2021 entered into a funding deed ("**Funding Deed**") to make available to TLC Singapore an interest-free term loan facility of up to US$1,500,000 ("**Hetat Loan**"), which shall be repaid in full by the Buyer on Completion. The obligations of TLC Singapore under the Funding Deed is guaranteed by the Obligers. Please refer to paragraph 2.6(a) of this Announcement for further information on the Funding Deed.

2. THE PROPOSED DIVESTMENT

2.1 Information on the Group and Hetat

The Company (together with its subsidiaries, the "**Group**") is an established group with core businesses in engineering and construction, including but is not limited to structural steel and façade and modular construction, corrosion prevention and energy-related businesses. Through Hetat, the Group focuses on the design, engineering and construction of integrated structures created from steel, aluminium and glass materials.

2.2 Information on the Target Group Companies

TLC Singapore is a company incorporated in Singapore and engaged in the business of, amongst others, production of pre-cast concrete components and other specialized construction activities.

TLC JSC VN is a joint stock company incorporated under the laws of Vietnam and operated under Enterprise Registration Certificate No 0301990907 issued by the Planning and Investment Department of Ho Chi Minh City dated 5 May 2000 (as amended for the 13th time on 28 April 2017) with its registered address at Thi Sach, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. It is engaged in the business of, among others, providing design, construction and manufacturing services in modular construction projects (including civil and industrial construction and steel structure fabrication).

TLC Ltd VN is a limited liability company incorporated under the laws of Vietnam and operated under Enterprise Registration Certificate No 3502344560 issued by the Planning and Investment Department of Ba Ria – Vung Tau dated 14 September 2017 with its registered address at Road D3, Phu My II Industrial Park, Phu My Town, Ba Ria – Vung Tau Province, Vietnam. It is intended for TLC Ltd VN to be engaged in the business of, among others, providing design, construction and manufacturing services in modular construction projects. However, to date, TLC Ltd VN has been primarily used for modular storage purpose (including construction of mechanical manufacturing, producing and processing factories for industrial, civil and petroleum construction, shipbuilding, prefabricated steel buildings, modular housing, bathrooms and other mechanics equipment for domestic and export projects).

TLC NZ is a limited liability company incorporation under the laws of New Zealand and operated under Company number 6416272, with its registered office at Oxford Edge Limited, 3a / 335 Lincoln Road, Addington, Christchurch, 8024, New Zealand. TLC NZ was set up for purpose of spearheading the business development of modular construction in New Zealand.

TLC Singapore and TLC JSC VN are, as at the date hereof, 60% owned by Hetat. TLC Ltd VN and TLC NZ are, as at the date hereof, 100% owned by TLC Singapore. Please refer to the Appendix for a diagrammatic illustration of the Group structure before and after the Restructure.

2.3 Information on the Buyer, GSNZS and Goldman Sachs Group, Inc.

The Buyer is an indirect wholly owned Singapore subsidiary of GSNZS. GSNZS was incorporated in Singapore, and is an indirect wholly owned Singapore subsidiary of The Goldman Sachs Group, Inc.

Goldman Sachs Group, Inc. was founded in 1869 and is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

All information in respect of the Buyer, GSNZS and The Goldman Sachs Group, Inc. are based solely on information and representations made and provided by them. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Announcement in its proper form and context.

Each of the Buyer, GSNZS and The Goldman Sachs Group, Inc. has further confirmed to the Company that, and to the best knowledge of the Company, saved as disclosed in this Announcement, there is no connection (including business relationship) between the Buyer, GSNZS, The Goldman Sachs Group, Inc., their respective directors and their respective controlling shareholders with the Company or the Group, their respective Directors and their respective controlling Shareholders.

2.4 Purchase Price

The purchase price for the Sale Shares ("**Purchase Price**") is determined by the Sale Shares value of US$11,500,000 ("**Sale Shares Value**") less the CAT Amount. "**CAT Amount**" refers to the amount of Vietnamese capital assignment tax in connection with the transaction in accordance with Vietnamese tax regulations, and will be calculated on and subject to the Vietnam, Singapore and US foreign exchange rates on the business day that is 5 business days prior to Completion in accordance with such applicable exchange rates as at that date (the "**Adjustment Mechanism**").

Indicatively, the CAT Amount is US$79,000 as at 8 February 2021 and the corresponding Purchase Price is US$11,421,000 (S$15,231,046 at an exchange rate of US$1: S$1.3336). For the avoidance of doubt, this Purchase Price (and all references to the Purchase Price and related figures) in this Announcement is an estimated figure based on the CAT Amount as at 8 February 2021 and is subject to further adjustments based on the Adjustment Mechanism.

The Purchase Price shall be paid in full by the Buyer to Hetat on the date of Completion ("**Completion Date**").

2.4.1 Determination of Purchase Price

The Purchase Price was arrived at after arm's length negotiations between the Group and the Buyer and/or GSNZS and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the rationale for and benefits to the Group arising from the Proposed Divestment, details of which are set out in paragraph 4 of this Announcement. No valuation of the Sale Shares was commissioned for the purpose of the Proposed Divestment.

2.5 Conditions of SPA

Completion is conditional on certain conditions ("**Conditions**"), which includes, amongst others, the following Conditions, being satisfied or waived by the date specified for their satisfaction in the SPA, or such later date as may be agreed in writing between the Buyer and Hetat:

(a) An unconditional direction order under the Overseas Investment Act being made in respect of the Proposed Divestment on terms reasonably satisfactory to the Buyer. This Condition should be satisfied or waived by 30 April 2021.

(b) Completion of the Restructure in accordance with applicable laws and the constitutional documents of the relevant Target Group Companies, on terms satisfactory to the Buyer. This Condition should be satisfied or waived by the Completion Date.

(c) Vietnamese merger control approval under the Law on Competition and Decree 35/2020/ND-CP dated 24 March 2020 (Vietnam) in relation to the Proposed Divestment on terms reasonably satisfactory to the Buyer. This Condition should be satisfied or waived by 30 April 2021.

(d) Various material transaction documents relating to the funding and governance of the Target Group Companies, and a current New Zealand construction project, being agreed on terms satisfactory to the Buyer and, to the extent applicable, unconditional in all respects.

(e) The sale and purchase agreement between TLC Singapore and Kongsberg Maritime CM AS in relation to the purchase of the Kongsberg factory premises located at Street No. 5, Dong Xuyen Industrial Park, Rach Dua Ward, Vung Tau City, Vietnam, by way of acquisition of 100% of the shares in Vung Tau Holding Pte. Ltd. being unconditional in all respects, other than the condition precedent under clause 3.1.1(e) therein, which requires the SPA to be unconditional in all respects other than this Condition. This Condition should be satisfied or waived by the Completion Date.

The full legal and beneficial ownership in the shares, and any assets, of TLC Modular Sdn Bhd being transferred to Hetat (or Hetat's affiliate). This Condition should be satisfied or waived by 30 April 2021.The SPA may be terminated by written notice given by any party by reason of non-fulfillment or waiver of the Conditions in accordance with the SPA.

2.6 Salient terms of the SPA

The other salient terms of the SPA are as follows:

(a) **Repayment of Loans**

(i) Hetat shall procure that all amounts owing by the Target Group Companies to it, or to any affiliate of Hetat, excluding the Hetat Loan, or any company, trust or other entity controlled by or associated with Hetat, and all amounts owing to third party debt providers (excluding the domestic loan advanced to TLC JSC VN by VID Public Bank Vietnam ("**Permitted Indebtedness**")) shall be repaid on or before the Completion Date so that the Buyer acquires the Group on a "debt free" basis (except for Permitted Indebtedness).

(ii) As disclosed in paragraph 1.4 of this Announcement, in order to maintain the solvency of the Target Group until Completion, Hetat had entered into the Funding Deed with the Obligors as guarantors and TLC Singapore as borrower to make available the Hetat Loan, which may only be used for the budget relating to funding requirements of the Target Group up to 30 April 2021 as approved in writing by Hetat, and shall not be (directly or indirectly) utilised to pay the following:

(i) any salary or compensation to any director or officer of the Target Group, including AS;

(ii) any loans owing to VID Public Bank Vietnam; and

(iii) such other costs or amounts payable that are not approved by Hetat.

On Completion, the Buyer shall advance an amount equal to the Hetat Loan amount to TLC Singapore, to enable repayment of the Hetat Loan by TLC Singapore to Hetat in full on Completion.

(b) **Warranties**

As disclosed in paragraph 1.3 of this Announcement, in consideration for GSNZS and the Buyer entering into the SPA, Hetat has provided certain Warranties as set out in the SPA and shall indemnify GSNZS against:

(a) all direct losses, damages, costs and expenses suffered or incurred by GSNZS; and

(b) all valid claims or demands made against GSNZS,

arising out of any breach or non-fulfilment of any of Hetat's Warranties but excluding indirect, consequential, or special loss of any nature (including loss of profits and loss of business opportunity).

(c) **Tax Indemnity**

As disclosed in paragraph 1.3 of this Announcement, Hetat shall indemnify GSNZS on the terms set out in the SPA and undertakes to keep GSNZS indemnified for and against, and will make payment to GSNZS of an amount equal to, certain liabilities for tax suffered by any Target Group Company, to the extent that liability for tax:

(i) is in respect of or relates to any period or part period (in which case, the liability is limited to that part) ending on or before Completion; or

(ii) would not have arisen but for a breach of a tax Warranty and which is not the subject of the covenant in paragraph (i) above.

The Tax Indemnity (including any tax Warranties) excludes any liability of TLC NZ to Inland Revenue (NZ) of certain amounts for the period 1 January 2020 to 29 February 2020, and such other additional liability to Inland Revenue (NZ) arising from the aforementioned liability.

Indemnity Deed

As disclosed in paragraph 1.3 of this Announcement, the Obligors agree to indemnify Hetat from and against all claims or demands made against Hetat under the SPA (including any reduction in the Purchase Price in accordance with the terms of the SPA due to any loss of value of any Target Group Company before the Completion Date) ("**Indemnified Loss**") arising out of the Warranty and Tax Indemnity. The Obligors' indemnity is subject to the following:

(i) the Obligors shall not be liable for any Indemnified Loss that arises out of a breach or non-fulfilment of any Warranty solely relating to:

(A) Hetat's own capacity and title to the Sale Shares;

(B) payment of Singapore taxes by TLC Singapore and/or Hetat; or

(C) other matters which are irrelevant to the Target Group Companies and not attributable to any act or omission of any Target Group Company;

(ii) where an Indemnified Loss arises out of a breach or non-fulfilment of any Warranty solely relating to payment of New Zealand taxes by a Target Group Company which is incorporated in New Zealand, the Obligors' liability in respect of such Indemnified Loss shall be limited to an amount equal to 40% of the amount of such Indemnified Loss; and

(iii) the aggregate liability of the Obligors under this paragraph shall be limited to an amount equal to US$2,000,000.

3. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL IN RELATION TO THE PROPOSED DIVESTMENT

3.1 For the purposes of Chapter 10 of the Listing Manual, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced unaudited consolidated financial statements of the Group for the financial period ended 30 June 2020 ("**1H2020**") are set out below:

BASE OF CALCULATION		RELATIVE FIGURES (%)
(a)	Net asset value ("**NAV**") of the Sale Shares to be disposed of, compared with the Group's NAV	8.85%[1]
(b)	Net profits[2] / (loss) attributable to the Sale Shares to be disposed of, compared with the Group's net profits / (loss)	(135.59)%[3]
(c)	Aggregate value of the consideration received[6], compared with the Company's market capitalisation[4] of S$110,095,299[5] based on the total number of issued shares	13.83%

	excluding treasury shares	
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets	Not applicable

<u>Notes</u>:

(1) Based on the NAV of the Sale Shares, being approximately S$14,587,000 as at 30 June 2020, compared with the Group's NAV, being approximately S$164,739,000 as at 30 June 2020, based on the latest announced consolidated accounts of the Group for 1H2020. No valuation of the Sale Shares was commissioned for the purpose of the Proposed Divestment.

(2) Under Rule 1002(3)(b) of the Listing Manual, "**net profits**" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(3) The net loss attributable to the Sale Shares for the purposes of this calculation is S$4,137,000, computed based on the unaudited net loss of Hetat for 1H2020. The Group's unaudited net loss for 1H2020 was S$3,051,000.

(4) Under Rule 1002(5) of the Listing Manual, "**market capitalisation**" is determined by multiplying the number of Shares in issue by the weighted average price of Shares transacted on the market day preceding the date of the SPA.

(5) The Company's market capitalisation is computed based on the number of issued Shares on 8 February of 685,098,312 Shares, and the weighted average price of Shares transacted on 8 February 2021 of S$0.1607 per Share, at an exchange rate of US$1 : S$1.3336.

(6) Based on the Purchase Price of US$11,421,000 (approximately S$15,231,046, based on an exchange rate of US$1 : S$1.3336 as at 8 February 2021). For the avoidance of doubt, this Purchase Price is an estimated figure based on the CAT Amount as at 8 February 2021 and is subject to further adjustments based on the Adjustment Mechanism.

3.2 As the relative figure under Rule 1006(b) is a negative figure with an absolute value exceeding 20% and loss on disposal exceeding 10%, and the situations within paragraphs 4.3 and 4.4 of Practice Note 10.1 of the Listing Manual do not apply to the Proposed Divestment, pursuant to Rule 1014 and paragraph 4.6 of Practice Note 10.1 of the Listing Manual, the Proposed Divestment constitute a "major transaction" under Rule 1014 in Chapter 10 of the Listing Manual and is therefore subject to Shareholders' approval in a EGM. Further, pursuant to Rule 1014(5) of the Listing Manual, if any of the relative figures computed on the basis of Rule 1006 of the Listing Manual) exceeds 75%, a competent and independent valuer must be appointed by the Company to value the assets to be disposed.

3.3 The Company will be seeking a waiver of the aforesaid Shareholders' approval requirement from the SGX-ST and clarification on the applicability of Rule 1014(5) to relative figures involving negative figures. The Company will make necessary announcements when there are further material developments in relation thereto.

4. RATIONALE AND BENEFITS OF THE PROPOSED DIVESTMENT

The Proposed Divestment was made pursuant to an offer to purchase received by the Group from the Buyer and/or GSNZS. The Board, after careful consideration, is of the view that it is in the best interests of the Group to undertake the Proposed Divestment for the following reasons:

(a) The 1006(b) Relative Figure being negative was due to the net loss attributable to the Sale Shares, which was S$4,137,000, computed based on the unaudited net loss of Hetat for 1H2020. Further, the Group's unaudited net loss for 1H2020 was S$3,051,000. As such, the Sale Shares are significantly loss-making, contributing substantially to the net loss of the Group. The Proposed Divestment will not substantially change the Group's scale of operations and/or have a material adverse impact on the Company's financial position. Instead, the Proposed Divestment will provide the Company a clean exit with all cash proceeds upfront and removes any residual risk or liability with respect to any projects and developments, or additional capital required to fund the business of the Target Group Companies.

(b) The monthly expenses and losses incurred by the Group in respect of the Target Group Companies are S$600,000, and the Company wishes to dispose of the Target Group Companies expeditiously without further incurring expenses and losses.

(c) There will not be a change in control of the Company as the Proposed Divestment does not contemplate any issuance and/or transfer of shares in the Company.

(d) The Group intends to strategically review as well as streamline activities and businesses across the Group. The Group will make strategic disposals to strengthen the Group's overall financial capacity and flexibility for further investments in other businesses, which has been borne out by the disposals of loss-making assets that the Company has regularly made as part of its strategy. The Proposed Divestment is in line with and is part of such strategic disposals.

(e) The Sale Shares are non-core assets of the Group, and the Proposed Divestment is not likely to affect the nature of the Group's principal business. As highlighted in paragraphs 2.1 and 2.2 of this Announcement, the Group's core businesses are in engineering and construction, corrosion prevention and energy-related businesses. TLC Singapore's and the Target Group Companies' businesses play only a small part in one of the Group's core business in engineering and construction, which may include but is not limited to modular construction, with the NAV of the Sale Shares only comprising 8.85% of the NAV of the Group (please refer to paragraph 3 of this Announcement for further details). The Sale Shares are also significantly loss making. As such, the Sale Shares are not critical but are in fact ancillary to the principal business activity of the Group and not an existing principal business of the Group that contributes more than 20% of the Group's net profits or total assets.

(f) The Proposed Divestment on Completion would absolve the Group of its current cash commitment of S$400,000 monthly to payroll expenses, factory and office expenses as various projects and developments undertaken by TLC Singapore and the Target Group Companies are still in development phase and do not contribute any revenue to the Group currently.

In light of the above, the Board is of the view that the Proposed Divestment, which is to shed non-core and significant loss-making assets of the Group is in the interests of the Group and it would further strengthen the Group's balance sheet and enhance the Group's financial flexibility in the future. The Board is of the view that the Proposed Divestment will not have any material effect on the Group's remaining and future business operations.

After taking into account the above, the Board after careful consideration is of the view that the Purchase Price is fair and reasonable and that the Proposed Divestment is in the best interests of the Group.

5. INTENDED USE OF PROCEEDS FROM THE PROPOSED DIVESTMENT

The Company expects to receive net proceeds of approximately S$15,035,000[(1)] (after deducting all costs and expenses) from the Proposed Divestment.

The net proceeds will be used for working capital and/or business expansions of the Group as the Group may deem fit in its absolute discretion.

Note:

(1) Based on the Purchase Price of US$11,421,000 (approximately S$15,231,046 based on an exchange rate of US$1 : S$ 1.3336 as at 8 February 2021). For the avoidance of doubt, this Purchase Price is an estimated figure based on the CAT Amount as at 8 February 2021 and is subject to further adjustments based on the Adjustment Mechanism.

6. FINANCIAL INFORMATION

6.1 Value Attributable to the Sale Shares

(a) Book Value

Based on the Group's unaudited consolidated financial statements for 1H2020, the book value attributable to the Sale Shares as at 30 June 2020 is approximately S$14,587,000.

(b) Net Tangible Asset ("**NTA**")

Based on the Group's unaudited consolidated financial statements for 1H2020, the NTA attributable to the Sale Shares as at 30 June 2020 is approximately S$14,587,000.

(c) Latest Available Open Market Value

The open market value of the Sale Shares is not available as the Sale Shares are not listed or traded on any securities exchange. No valuation of the Sale Shares was commissioned for the purpose of the Proposed Divestment.

6.2 Excess of Proceeds over the Book Value

The expected gain arising from the Proposed Divestment will be approximately S$444,000. Based on the Group's unaudited consolidated financial statements for 1H2020, Completion is expected to result in excess of proceeds over book value of approximately S$444,000 to the Group.

7. FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

The financial effects of the Proposed Divestment on the Group are set out below. The financial effects are shown for illustrative purposes only and they do not necessarily reflect the exact future financial position and performance of the Group immediately after Completion. The financial effects set out below have been calculated using the audited consolidated financial statements of the Group for FY2019, as the consolidated financial statements of the Group for FY2020 (unaudited or audited) are not available as at the date hereof.

Share Capital

As the Proposed Divestment do not involve the issue and allotment of any new Shares, the Proposed Divestment will not have any impact on the Share capital of the Company.

NTA

Assuming that the Proposed Divestment had been completed on 31 December 2019, the effect of the Proposed Divestment on the NTA per Share of the Company for FY2019 is as follows:

	Before the Proposed Divestment	**After the Proposed Divestment**
NTA (S$'000)	143,986	144,430
Number of Shares ('000)	685,098	685,098
NTA per Share (S$ cents)	21.02	21.08

Earnings per Share ("**EPS**")

Assuming that the Proposed Divestment had been completed on 1 January 2019, the effect of the Proposed Divestment on the EPS of the Company for FY2019 is as follows[(1)]:

	Before the Proposed Divestment	**After the Proposed Divestment**
(loss)/profit after tax (S$'000)	(25,391)	(24,947)
Weighted average number of Shares ('000)	685,129	685,129
EPS (S$ cents)	(3.7060)	(3.6412)

Note:

(1) Computed based on an exchange rate of US$1 : S$1.3336 as at 8 February 2021.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Oh Eng Bin, Kenneth, an Independent Non-Executive Director of the Company, is a Senior Partner at the law firm of Dentons Rodyk & Davidson LLP ("**Dentons**"). A legal team from Dentons led by another Senior Partner thereof is advising the Company as to Singapore law in relation to the Proposed Divestment.

Save as disclosed herein, none of the Directors nor, to the best of the Directors' knowledge, any of the controlling Shareholders, has any interest, whether direct or indirect, in the Proposed Divestment or the Purchasers, other than through their respective shareholdings in the Company (if any).

9. SERVICE CONTRACTS

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA, the Indemnity Deed and the Funding Deed are available for inspection at the Company's registered office at 19 Tuas Avenue 20, Singapore 638830 during normal business hours for a period of three (3) months from the date of this Announcement.

In light of the prevailing safe distancing measures due to the Covid-19 situation, Shareholders should provide their names, contact number, proposed date and time of inspection to the Group Chief Financial officer, Wong Tat Yang at +65 6351 8587 at least three (3) working days' in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents.

11. EGM AND CIRCULAR TO SHAREHOLDERS

If waiver of the Shareholders' approval requirement is not granted by the SGX-ST, the Company will convene an EGM to seek the approval of the Shareholders for the Proposed Divestment and a circular containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of EGM in connection therewith, will be dispatched to the Shareholders in such event.

12. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in their Shares. Completion is subject to certain conditions. There is no certainty or assurance as at the date of this Announcement that the Proposed Divestment will be completed or that no changes will be made to the terms thereof.

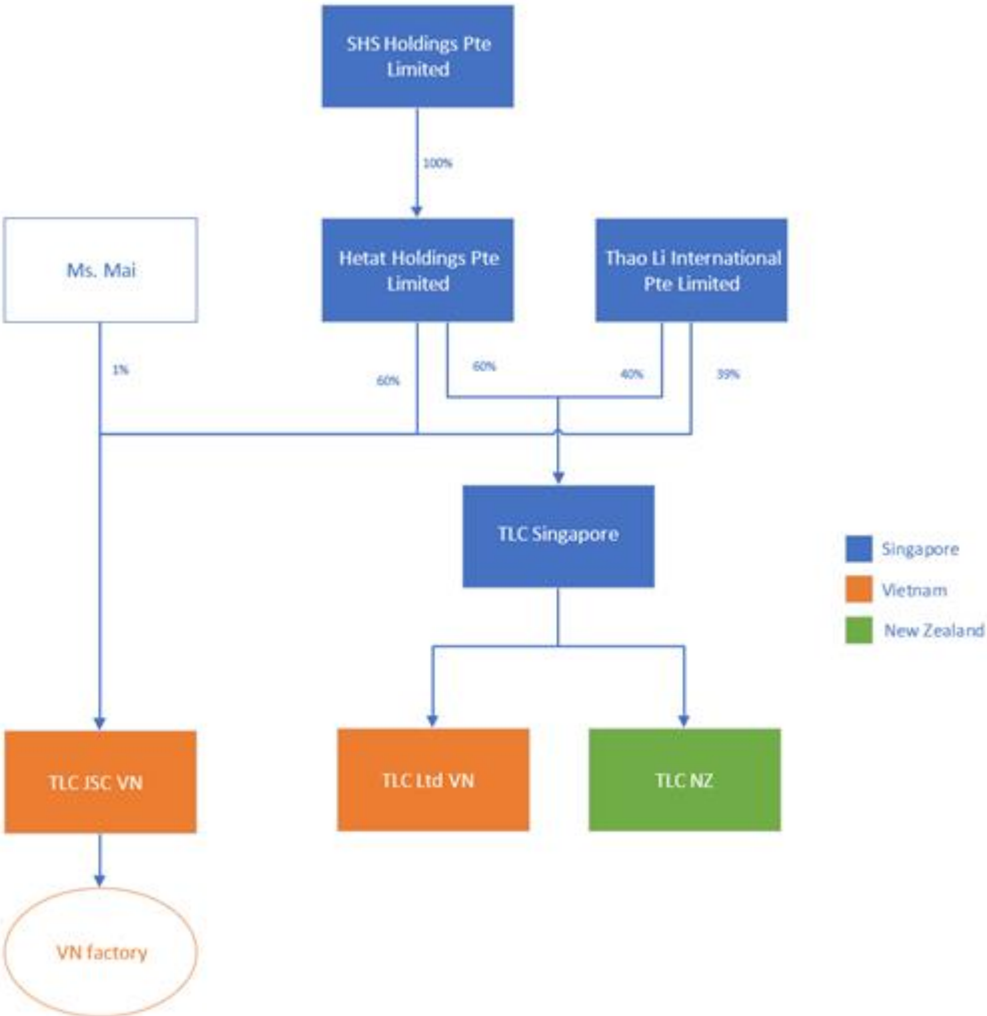
The Company will make the necessary announcements when there are further material developments in relation thereto. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential advisers should consult their stock brokers, bank managers, solicitors, accountants, tax advisers or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

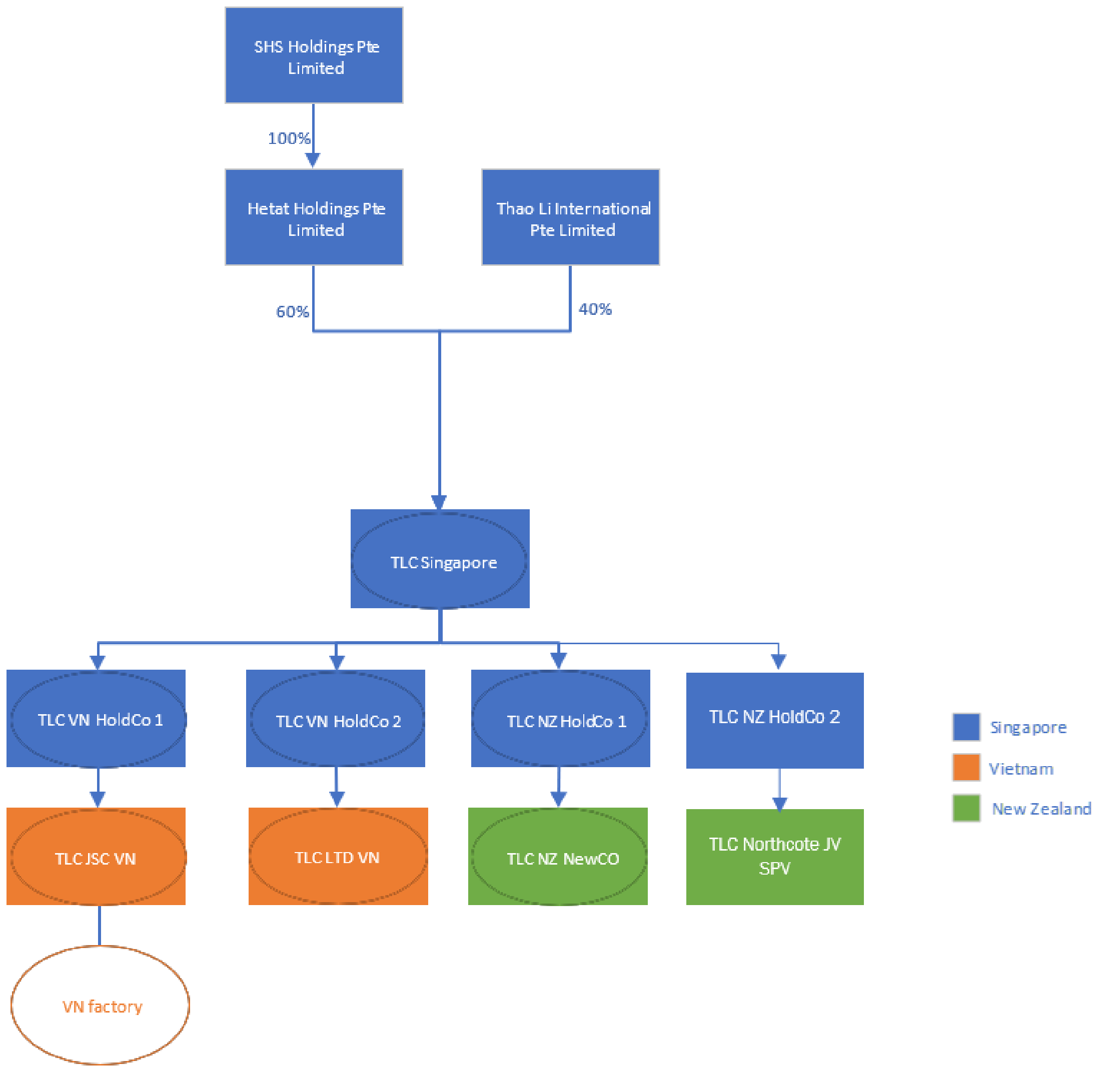
Ng Han Kok, Henry
Executive Director and Group CEO
9 February 2021

Appendix 1
Group Structure Diagram

Part 1 – Pre Restructure



Part 2 – Post Restructure



Appendix 2
Target Group Companies

Part 1 – Pre-Restructure

Name of Target Group Company	Registration/certificate number	Jurisdiction of incorporation	No. of issued shares / Amount of charter capital
TLC Modular Pte Ltd	20161208R	Singapore	10 shares
TLC JSC VN	0301990907	Vietnam	5,000,000 shares
TLC Modular Manufacturing Co Ltd	3502344560	Vietnam	Registered charter capital of VND 100,000,000,000
TLC NZ	6416272	New Zealand	10 shares

Part 2 – Post Restructure

Name of Target Group Company	Registration/certificate number	Jurisdiction of incorporation	No. of issued shares / Amount of charter capital
TLC Modular Pte Ltd	20161208R	Singapore	10 shares
TLC VN HoldCo 1	TBC	Singapore	1 share
TLC VN HoldCo 2	TBC	Singapore	1 share
TLC NZ HoldCo	TBC	Singapore	1 share
TLC NZ HoldCo 2	TBC	Singapore	1 share
TLC Modular Construction Ltd (previously TLC JSC VN)	0301990907	Vietnam	Registered charter capital of VND50,000,000,000
TLC Modular Manufacturing Co Ltd	3502344560	Vietnam	Registered charter capital of VND100,000,000,000
TLC NZ NewCo	TBC	New Zealand	100 shares
TLC Northcote JV SPV	TBC	New Zealand	TBC

Note:

In accordance with the Restructure, a number of new entities will be incorporated in Singapore and New Zealand to form part of the Target Group Company structure. As such, the details of these companies (i.e. registration numbers) will be known closer to Completion.