



# TUAN SING HOLDINGS LIMITED

(Company Registration No. 196900130M)

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## INTERESTED PERSON TRANSACTION – GULTECH ACQUIRED 49% SHARE IT DID NOT ALREADY OWN IN AN ENTITY THAT HOLDS ITS WUXI PLANT

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### 1. INTRODUCTION

Tuan Sing Holdings Limited (the “**Company**” or the “**Group**”) is pleased to announce that an associated company, Gul Technologies Singapore Pte. Ltd. (“**GulTech**”) has on 30 June 2018 acquired the entire remaining share it did not already own in an entity that holds GulTech’s Wuxi Plant. Henceforth, GulTech owns 100% of all its three plants.

The acquisition is by way of Gultech (Jiangsu) Electronic Technologies Co., Ltd (the “**Purchaser**” and an indirect wholly-owned subsidiary of GulTech) acquiring 49% of the issued share capital in Gultech (Wuxi) Electronics Co., Ltd (“**GTWX**”) from Shanghai GT Micro Fiber Co., Ltd (the “**Seller**” or “**GTMF**”) for a cash consideration (“**Consideration**”) of RMB250 million (equivalent to approximately S\$52.1 million at an exchange rate of RMB4.7962: S\$1.00) (the “**Transaction**”).

The Transaction is an interested person transaction (“**IPT**”), as elaborated in Section 3 below.

### 2. SALIENT POINTS OF THE TRANSACTION

The Consideration which was agreed between the Purchaser and the Seller on a willing buyer, willing seller basis has been settled in full by the Purchaser on 30 June 2018. It represents a price earnings ratio of 4.42 and is approximately a 45% premium over the net asset backing of GTWX, basing on the audited results of GTWX for the year ended and as on 31 December 2017.

Both parties agreed that notwithstanding the Transaction and the resultant transfer of the shares in GTWX, the Seller shall be entitled to receive its share of the dividends already declared but not paid by GTWX as on 31 December 2017 amounting to RMB168,104,330.90 (equivalent to approximately S\$35.0 million) and the Seller’s share of GTWX’s profit made between 1 January and 31 May 2018. It is further agreed that GTWX shall make these payments to the Seller by end December 2019 together with interest accrued thereon for the period between 1 June 2018 and the date(s) of payment. Applicable interest rate shall be the prevailing base rate for commercial loans of one to five years’ duration published by the People’s Bank of China, currently at 4.75% per annum.



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### **3. INTERESTED PERSON TRANSACTION**

The Company, through its wholly-owned subsidiary, TS Technologies Pte Ltd, holds 44.48% of the issued and paid-up capital of GulTech whereas the Purchaser is an indirect wholly-owned subsidiary of GulTech. The Purchaser is therefore also an associated company of the Company.

By virtue of the respective shareholdings in GulTech, the Company and its controlling shareholder, Nuri Holdings (S) Pte Ltd (“**Nuri**”) have control over GulTech and in turn the Purchaser. GITI Holdings Ltd (“**GITIH**”), through GT International (Singapore) Pte Ltd. owns 75% of the Seller. Nuri and GITIH are respectively jointly and wholly-owned by Ms Michelle Liem Mei Fung and Mr William Nursalim alias William Liem (who are Directors and controlling shareholders of the Company) and Dr Tan Enk Ee.

As such, the Transaction is an IPT falling within the ambit of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The IPT value in relation to the Transaction is approximately S\$23.2 million, derived at by taking 44.48% of the Consideration.

As at the date of this announcement, the sum of S\$23.2 million when aggregated with the year-to-date value of other transactions entered into since 1 January 2018 between the Group and the same interested persons (and its associates) amounts to S\$25.4 million which represents approximately 2.6% of the Group’s audited net tangible asset value of S\$983.1 million as at 31 December 2017.

### **4. RATIONALE FOR THE TRANSACTION**

The Transaction enables GulTech to have acquired full ownership and control of GTWX and therefore fulfilled GulTech’s aim of owning all of its three plants. This is in turn revenue and profit accreting to GulTech’s shareholders and in turn, the Company. GulTech funded the Transaction using its internal resources.

### **5. FINANCIAL EFFECTS OF THE TRANSACTION**

Please refer to the paragraph at section (4) above.



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### **6. AUDIT AND RISK COMMITTEE'S STATEMENT**

Members of the Audit and Risk Committee (“**ARC**”), save for Mr David Lee Kay Tuan (spouse of Ms Michelle Liem Mei Fung) who recused himself from the deliberation, have reviewed the terms of the Transaction. After having taken into consideration, *inter alia*, the basis for the Consideration and the rationale for the Transaction, the ARC is of the view that the Transaction is entered into on an arm's length basis on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

### **7. INTERESTS OF DIRECTORS**

None of the independent directors have any interest in the Transaction. The other directors who are non-independent, namely, Mr William Nursalim alias William Liem, Ms Michelle Liem Mei Fung, Mr David Lee Kay Tuan, and Mr Ong Beng Kheong have recused themselves from the review and approval process of the Transaction.

### **BY ORDER OF THE BOARD**

Helena Chua  
Company Secretary  
2 July 2018