



TSH Corporation Limited
Company Registration No.: 200003865N
(Incorporated in the Republic of Singapore)

DISPOSAL OF EQUITY INTEREST IN UNILINK DEVELOPMENT LIMITED ("UNILINK")

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of TSH Corporation Limited (the "**Company**" or "**TSH**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 22 February 2017 ("**SPA Date**") entered into a sale and purchase agreement ("**SPA**") with Unilink, pursuant to which Unilink has agreed to purchase an aggregate of 375 shares ("**Unilink Shares**"), representing about 26.5% in the total issued and paid-up capital of Unilink, from the Company ("**Disposal**"). The Unilink Shares represent the entire shareholding interest in Unilink held by the Company ("**Unilink Investment**").

2. INFORMATION ON UNILINK

Unilink is a closely-held private company incorporated in Hong Kong with operating subsidiaries in China, namely Newtronics Hangzhou Co., Ltd and Hangzhou HengAi Electronics Co., Ltd. Unilink is an investment holding company and its China operating subsidiaries are involved in high volume printed circuit board and other electronic products assemblies.

The Unilink Investment has been classified as assets held for sale in the Company's audited financial statements since the financial year ended 31 December ("**FY**") 2015.

3. CONSIDERATION AND PRINCIPAL CONDITIONS

The aggregate consideration ("**Consideration**") for the Disposal is S\$3.06 million, which shall be satisfied in cash and carried out as set in the schedule below:

Due date for the sale and purchase of each tranche of the Unilink Shares ("Due Dates")	Amount of Consideration to be paid by Unilink to TSH ("Instalment")	Number of the Unilink Shares to be bought back by Unilink from TSH
No later than 60 consecutive calendar days after the date of the SPA	S\$612,000	75 (being 20% of the Unilink Shares)
No later than 4 consecutive calendar months after the date of the SPA	S\$612,000	75 (being 20% of the Unilink Shares)
No later than 8 consecutive calendar months after the date of the SPA	S\$856,800	105 (being 28% of the Unilink Shares)
No later than 12 consecutive calendar months after the date of the SPA	S\$979,200	120 (being 32% of the Unilink Shares)

Unilink may request no more than one (1) time for 30 consecutive calendar days' extension for each of the above Due Dates ("**Extended Payment Dates**") to pay the Instalments except for the first tranche.

There has not been any valuation commissioned on the Unilink Investment. The Consideration was negotiated on an arm's length basis with Unilink and arrived at on a "willing-buyer, willing-seller basis" taking into consideration the book value of the Unilink Investment of S\$3.13 million in the audited consolidated financial statement of the Group for FY2015. The unaudited book value of the Unilink Investment was S\$2.98 million as at 30 June 2016 due to a one-off impairment of the Unilink Investment of S\$0.15 million in the half-year ended 30 June ("**HY**") 2016.

The sale and purchase schedule of the Unilink Shares above was mutually agreed between the Company and Unilink after negotiation between parties. Based the terms of the SPA, the Company will transfer the relevant tranche of the Unilink Shares to Unilink on each of the relevant Due Date or Extended Payment Date upon the receipt of the relevant Instalment. Pursuant to the SPA, a director and a major shareholder of Unilink ("**Guarantors**"), who are independent to the Company, its directors and controlling shareholders, have jointly and severally undertaken to pay the Company in full all outstanding Instalments to be paid by Unilink upon the default of Unilink to perform its obligations within each or any of the Due Dates or the Extended Payment Dates, as the case may be.

If Unilink fails to buy back any tranche of the Unilink Shares from the Company by the relevant Due Dates or the Extended Payment Date, the Guarantors shall proceed to purchase the relevant tranche of the Unilink Shares from the Company and shall pay the relevant Instalment to the Company by the relevant Due Dates or the Extended Payment Dates. The Company will only transfer the relevant tranche of the Unilink Shares to the Guarantor upon the receipt of the relevant Instalment.

The Company had made continuous effort to look for buyer(s) for the Unilink Investment since the beginning of the financial year, however, could not succeed. Having considered various factors including the prevailing challenging business environment, the financial position of the Company after it has become a cash company, the aforementioned undertaking provided by the Guarantors pursuant to the SPA, the credibility of the Guarantors, the Board is in the opinion that the Disposal and its sale and purchase schedule are in the best interest of the Company. The Board takes the view that the Disposal is the best option available for the Company to realise the remaining value of the Unilink Investment for cash.

4. USE OF PROCEEDS

The net proceeds ("**Net Proceeds**") from the Disposal is, after deducting related fees and expenses, approximately S\$3.05 million. The gain on the Disposal and the excess of the Net Proceeds over the book value of the Unilink Investment as at 30 June 2016 are approximately S\$0.07 million.

As at the date of this announcement, no specific usage of the Net Proceeds is being envisaged by the Company. 90% of the Net Proceeds will be placed in the escrow account of the Company in accordance with Rule 1017 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the remaining 10% will be utilised by the Company for operating expenses.

5. RATIONALE FOR THE DISPOSAL

As announced by the Company on 29 February 2016, 28 April 2016 and 12 August 2016, the Company had always intended to dispose of the Unilink Investment as it did not generate any income or cash for the past few years.

6. FINANCIAL EFFECTS

The financial effects of the Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual or future financial performance or position of the Group immediately after the completion of the Disposal. These financial effects have been prepared based on the Group's audited consolidated financial statement for FY2015 and have not taken into account the corporate actions, such as disposal of WoW Technologies (Singapore) Pte Ltd and its subsidiaries, disposal of Explomo Technical Services Pte Ltd, special dividend paid and capital reduction and distribution made, during the year.

Net Tangible Assets ("NTA")

The effects of the Disposal on the NTA per share of the Group as at 31 December 2015, assuming that the Disposal had been effected on 31 December 2015, are summarized below:-

	Before the Disposal	After the Disposal
NTA (S\$'000)	37,945	37,868
Number of issued Shares	240,443,565	240,443,565
NTA per Share (Cents)	15.78	15.75

Earnings Per Share ("EPS")

The effects of the Disposal on the EPS of the Group for FY2015, assuming that the Disposal had been effected on 1 January 2015, are summarized below:-

	Before the Disposal	After the Disposal
(Loss) attributable to Shareholders (S\$'000)	(6,299)	(5,821) ⁽¹⁾
Weighted average number of Shares	240,443,565	240,443,565
(Loss) per Share (Cents)	(2.62)	(2.42)

Note:

- (1) The loss attributable to shareholders does not include the estimated loss on Disposal of S\$0.54 million if the Disposal had been effected on 1 January 2015 based on the Consideration.

7. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures in respect of the Disposal, as computed on the bases set out in Rule 1006 of the Catalist Rules and based on the latest unaudited consolidated financial statements of the Group for HY2016, are as follows:

Bases of Calculation	Size of Relative Figure (%)
Rule 1006(a) The net asset value of the asset to be disposed of, compared with the Group's net asset value.	10.6%
Rule 1006(b) The net profit attributable to the asset disposed of, compared with the Group's net loss.	Not applicable. Unilink Investment did not contribute any profit or loss to the Group's net loss ⁽¹⁾
Rule 1006(c) The aggregate value of the Consideration, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	34.4 ⁽²⁾
Rule 1006(d) The 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. No equities securities were issued.
Rule 1006(e) The 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 and gas company, but not to an acquisition of such assets.	Not applicable. The Disposal is not a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

Notes:

- (1) This does not include the one-off impairment of Unilink Investment of S\$0.15 million in HY2016.
- (2) Based on the Company's market capitalisation of approximately S\$8.90 million (determined by multiplying the number of Company's issued ordinary share capital of 240,443,565 shares and the volume weighted average price of the Company's shares of S\$0.037 on 21 February 2017, being the market day preceding the SPA on which the shares of the Company were traded on the SGX-ST).

As the relative figures computed above exceed 5% but do not exceed 50%, the Disposal is considered a "discloseable transaction" under Rule 1010 of the Catalist Rules, and therefore does not require shareholders' approval.

8. GENERAL

INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and/or the controlling shareholders of the Company has any interest or are deemed to be interested in the Disposal other than their respective shareholdings in the Company, if any.

DIRECTORS' SERVICE CONTRACTS

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

CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. Shareholders should consult their stockbrokers, solicitors or other professional advisers if they have any doubts about the actions they should take.

DOCUMENTS FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 51 Changi Business Park Central 2, The Signature #04-05, Singapore 486066 for a period of three (3) months commencing from the date of this announcement.

By Order of the Board

Lye Chee Fei Anthony
Executive Director
Date: 22 February 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Ong Hwee Li (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.