



TSH Corporation Limited
(Company Registration Number: 200003865N)
(Incorporated in the Republic of Singapore)

NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF THE TARGET ASSETS

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of TSH Corporation Limited (the “**Company**”) wishes to announce that the Company has, on 21 August 2017, entered into a non-binding term sheet (the “**Term Sheet**”) with Racecourse Road Properties Pty Ltd, Fifth Avenue Lifestyle Pty Ltd, Tambusu Pty Ltd and Stanley Street Projects Pty Ltd (collectively, the “**Vendors**”) in respect of the proposed acquisition of 100% of the rights and interests of the Target Assets (as defined below) (the “**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, will constitute a very substantial acquisition or a reverse takeover as defined in Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Accordingly, the Proposed Acquisition will be subject to, amongst other things, the approval of the SGX-ST and the approval of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting to be convened.

The Term Sheet is intended to be a basis for further negotiations and, save for certain provisions relating to exclusivity and confidentiality, amongst others, does not constitute any legally binding obligations of the Company or the Vendors (collectively, the “**Parties**”) nor any commitment by the Company to invest in or acquire any interest in the Target Assets (as defined below).

2. INFORMATION ON THE PROPOSED ACQUISITION

The information on the Target Assets (as defined below) and the Vendors was provided by the Beneficial Owners (as defined below). In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to the proper extraction and reproduction of such information herein in the context that the information is being disclosed in this announcement.

2.1 Information on the Target Assets

The assets to be acquired comprise four (4) freehold commercial properties located in Brisbane, Australia (collectively, the “**Target Assets**”) and operating under a chain of properties with a concept that has been created and developed to target business owners in the beauty and wellness industry (the “**Target Business**”). These business owners are typically individuals who are looking to have an independent space for their businesses and flexibility in their operations. Each of the Target Assets mainly comprises fully fitted out micro studios which are in a “ready to move in” condition for lease.

2.2 Information on the Vendors

The Vendors are entities registered in Australia, who collectively own 100% of the Target Assets. The primary beneficial owners of the Vendors are Teo Kok Woon and Margaret Louise Batchelor (collectively, the “**Beneficial Owners**”).

Teo Kok Woon is a non-executive non-independent director and an existing controlling shareholder of the Company, having an interest in 68,250,728 ordinary shares, representing 28.4% of the issued and paid-up share capital of the Company. Upon the completion of the Proposed Acquisition, it is intended that Teo Kok Woon shall enter into a consultancy agreement (the “**Consultancy Agreement**”) with the Company, pursuant to which he shall provide consultancy services in the development of the Target Business, and such arrangement will be an “interested person transaction” under Chapter 9 of the Catalyst Rules and may be subject to the approval of Shareholders.

Margaret Louise Batchelor is the co-founder of the Target Business, responsible for the day-to-day management of the Target Business, which includes sourcing for suitable properties to acquire, design of the concept studios, overseeing the refurbishment of the properties and the sourcing and selection of tenants. Upon completion of the Proposed Acquisition, it is intended that Margaret Louise Batchelor shall enter into a service agreement (the “**Service Agreement**”) with the Company, pursuant to which she shall be appointed as the chief executive officer of the Company. As at the date of this announcement, Margaret Louise Batchelor does not have any shareholding interest in the Company.

3. PRINCIPAL TERMS OF THE TERM SHEET

3.1 Purchase Consideration

The purchase consideration for the Proposed Acquisition (the “**Consideration**”) shall be the amount equivalent to the aggregate market value (the “**Market Value**”) of the Target Assets. Any property loans on the Target Assets may be assumed by the Company and shall be netted off against the Consideration.

As at the date of this announcement, the estimated Market Value, as provided by the Vendors, is A\$13.2 million (or approximately S\$14.3 million, calculated based on an exchange rate of S\$1.08:A\$1.00) and the indicative outstanding amount of property loans in respect of the Target Assets is approximately A\$5.2 million (or approximately S\$5.6 million).

An independent valuation will be commissioned by the Company to determine the Market Value in due course. The Consideration, less the amount of any property loans on the Target Assets to be assumed by the Company, shall be fully satisfied by the allotment and issuance of new ordinary shares (“**Consideration Shares**”) in the capital of the Company at an issue price of S\$0.035 (the “**Issue Price**”) for each Consideration Share, to the Beneficial Owners and/or their nominees, on the instruction of the Vendors.

The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the then existing ordinary shares in the issued and paid-up share capital of the Company.

3.2 Whitewash Waiver

The Company shall seek a waiver from the Securities Industry Council (the “**SIC**”) of the obligation by the Beneficial Owners and their concert parties to make a mandatory general offer (in accordance with the Singapore Code on Takeovers and Mergers) for all the shares in the capital of the Company in issue not already owned, controlled or agreed to be acquired by the Beneficial Owners and their concert parties (if any) as a result of the allotment and issuance of the Consideration Shares to the Beneficial Owners (and/or their concert parties, if any) pursuant to the Proposed Acquisition (the “**Whitewash Waiver**”).

3.3 Conditions Precedent

The completion of the Proposed Acquisition is conditional upon, *inter alia*:-

- (a) the Parties obtaining approval from their respective boards of directors for the Proposed Acquisition and all transactions contemplated thereby;
- (b) the Company being satisfied with the results of a due diligence review of the legal, financial and other affairs of the Target Assets and other customary due diligence in connection with a reverse takeover on the SGX-ST carried out by the Company and/or its advisers;
- (c) the execution of definitive agreements, including but not limited to the sale and purchase agreement between the Parties, the Service Agreement and the Consultancy Agreement (the “**Definitive Agreements**”);
- (d) the design and refurbishment of the Target Assets being fully completed;
- (e) the granting by SGX-ST of an extension of time for the Company to meet the requirements of a new listing pursuant to Rule 1017(2) of the Catalist Rules;
- (f) the Proposed Acquisition being approved by the SGX-ST and/or any other relevant authorities and where such approval is obtained subject to any conditions, such conditions being reasonably acceptable to the Parties;
- (g) the Proposed Acquisition being approved by the Foreign Investment Review Board of Australia, if necessary, and any other relevant authorities in Australia and where such approval is obtained subject to any conditions, such conditions being reasonably acceptable to the Parties;
- (h) approval by the SGX-ST for the listing and quotation of the Consideration Shares on the Catalist of the SGX-ST;
- (i) the Whitewash Waiver being obtained from the SIC, subject to any conditions that the SIC may impose and provided that such conditions are reasonably acceptable to the Beneficial Owners and their concert parties; and
- (j) the Company obtaining approvals from the Shareholders at an extraordinary general meeting to be convened for the Proposed Acquisition and the Whitewash Waiver, and all transactions in connection therewith.

3.4 Exclusivity

Under the Term Sheet, the Company shall be granted a period of three (3) months or any such longer period as mutually agreed to perform the formal due diligence, and to negotiate the Definitive Agreements for the Proposed Acquisition. During this period, the Vendors shall not solicit or initiate or enter into any negotiations or discussions with any other party for the disposal of any interest in the Target Assets unless the Company concludes, at any time within the said period, that it no longer desires to pursue negotiations for the Proposed Acquisition with the Vendors and notifies the Vendors accordingly.

4. RATIONALE OF THE PROPOSED ACQUISITION

As announced by the Company on 31 August 2016, pursuant to the completion of the disposal of Wow Technologies (Singapore) Pte. Ltd. and Explomo Technical Services Pte Ltd, the Company has ceased to have any operating business and its assets comprise substantially cash. Accordingly, with effect from 31 August 2016, the Company is deemed a cash company under Rule 1017 of the Catalist Rules. Since then, the Board has been considering and evaluating various new businesses for acquisition.

Having considered the terms of the Proposed Acquisition and based on the brief information provided by the Beneficial Owners at this stage, the Board is of the preliminary view that the Proposed Acquisition will provide the Company with operational and income generating assets with capital appreciation potential. In addition, with the assistance of the Beneficial Owners, the Directors are of the view that the Proposed Acquisition will allow the Company to venture into a business with good growth prospects, to satisfy the SGX-ST's requirements for a new listing.

Under Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove an issuer from the Catalist if it is unable to meet the requirements for a new listing within 12 months from the date on which it becomes a "cash company". The Company is proposing to undertake the Proposed Acquisition, and will be applying, through its sponsor, to the SGX-ST for an extension of time pursuant to Rule 1017(2) of the Catalist Rules and will make the appropriate announcements on the status of such application in due course.

5. COMPLIANCE PLACEMENT

If required, the Company shall carry out a compliance placement to meet the relevant shareholding spread, distribution and public float requirements, upon terms to be mutually agreed between the Parties.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

In view that Teo Kok Woon, the non-executive non-independent director and an existing controlling shareholder of the Company, is one of the Beneficial Owners, the Proposed Acquisition is thus an "interested person transaction" under Chapter 9 of the Catalist Rules and subject to the approval of Shareholders.

Save for the aforesaid and their respective shareholdings, if any, in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

7. REponsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Company, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

8. Further Announcements and Circular

As the terms of the Proposed Acquisition have not been finalised as at the date of this announcement, the Company will make further announcements to inform Shareholders when there are material developments in respect of the Proposed Acquisition. A circular, setting out the terms of the Proposed Acquisition, together with the notice of extraordinary general meeting, will be despatched by the Company to the Shareholders if the Proposed Acquisition proceeds further.

9. Cautionary Statement

Shareholders and potential investors should exercise caution when trading in the shares of the Company. In the event of any doubt as to the action they should take, Shareholders should consult their stockbrokers, solicitors, accountants or other professional advisers. The Proposed Acquisition is subject to the execution of the Definitive Agreements and conditions precedent to be fulfilled and there is no certainty or assurance that the Definitive Agreements will be entered into or that the completion of the Proposed Acquisition will take place. The Company will make the necessary announcements as and when there are material developments on the Proposed Acquisition and other matters contemplated by this announcement.

By Order of the Board

Wong Weng Foo John
Non-Executive Chairman
21 August 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 Singapore Exchange Securities Trading Limited ("**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.