

**TIONG SENG HOLDINGS LIMITED**  
(Incorporated in Singapore)  
(Company Registration No. 200807295Z)

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## **ACQUISITION OF 51% INTEREST IN AMP SYSTEMS PTE. LTD.**

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Tiong Seng Holdings Limited (the “Company” and together with its subsidiary, the “Group”) wishes to announce that it has, through its wholly owned subsidiary, Tiong Seng Contractors (Pte) Ltd (“TSC”), entered into an agreement to acquire 51% of the issued and paid up share capital in AMP Systems Pte Ltd (“AMP or Vendor”), for an aggregate consideration of S\$3.3million (the “Acquisition”) funded from a combination of internal financial resources and bank financing.

### **Conditions Precedent**

Completion is subject to, among others, the following conditions being fulfilled:

- (a) all necessary consents, approvals, and waivers having been obtained from AMP’s bankers in respect of the change in the shareholding, control and management;
- (b) no material adverse change in the turnover, profitability, financial or trading position or prospects of AMP having occurred between the date of this agreement and completion; and
- (c) AMP warranties being and remaining true, accurate and not misleading in all respects as at the date of this agreement and as at completion.

Upon completion, AMP will become a 51% owned subsidiary of the Group.

The Acquisition comprise of a 20% acquisition of Vendor shares from existing AMP shareholder, concurrently with a capital injection to subscribe for new shares to be issued by AMP so as to complete the Group’s 51% stake in AMP.

### **Information on the Vendor**

AMP was incorporated in the Republic of Singapore with its principal business in the provision of electrical & mechanical engineering works.

As at the date of this Announcement, to the best of the Board's knowledge, none of the Vendor and the Vendor Shareholders is related to any of the Directors, the substantial shareholder of the Company and/or their respective associates

### **Rationale of the Acquisition**

Having regard to the strategic direction of the Group’s business, the Board is of the view that the Acquisition will allow the Group to capitalize upon the existing business set up in AMP and further augment the Group’s technical and technological competencies. Further, this will open the Group’s construction arm to new Green & Sustainable opportunities in the Built Environment.

### **Rule 1006 Relative Bases**

Relative figures for the Acquisition, as computed on the bases set out in Rule 1006 of the Listing Manual, are all less than 5% except that the aggregate consideration given, compared with the Group’s market capitalisation based on the total number of issued shares excluding treasury shares, is 6%. Accordingly, the Acquisition is classified as a “discloseable transaction” under Chapter 10 of the Listing Manual.

**Valuation**

The consideration was arrived at on a willing-buyer and willing-seller basis, taking into account, amongst other things, the book value of AMP as of 31 December 2021 (“Book Value”) as well as the valuation report issued by KPMG (the “Valuation”) done on the basis of the discounted cashflow methodology & market comparable approach.

The net loss attributable to the 51% interest being acquired for the financial year ended 31 December 2021 is S\$140,000/-. Nevertheless, the Board is of the opinion that the Acquisition is beneficial to the Group in view of the rationale of the acquisition as mentioned above.

**Financial impact of the Acquisition**

Had the Acquisition took place in the recent completed financial year 2021, the effect on the NTA per share and Earnings Per Share (“EPS”) would be follows:

	Before the completion of the Acquisition	After the completion of the Acquisition
NTA per Share (cents)	43.81	43.76
EPS (cents)	11.37	11.37

There is no material impact on the NTA and EPS arising from the Acquisition.

**Details of Service Contracts of Proposed Director(s) and Interest of Directors and Controlling Shareholders**

None of the Directors and Controlling Shareholders of the Company has any interest, direct or indirect, in the Acquisition. No service contract of directors is being proposed to be entered with the Company in connection with the Acquisition.

**Documents available for inspection**

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the Agreement will be made available for inspection during normal business hours at the registered office of the Company at 21 Fan Yong Road Singapore 629796, for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD  
TIONG SENG HOLDINGS LIMITED

Pay Sim Tee  
Executive Director and CEO  
4 July 2022