

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Tat Hong Equipment Service Co., Ltd.

達豐設備服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2153)

VOLUNTARY ANNOUNCEMENT

**MEMORANDUM OF UNDERSTANDING
IN RESPECT OF PROPOSED FORMATION OF
A JOINT VENTURE COMPANY**

This announcement is made by Tat Hong Equipment Service Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders and potential investors of the Company with updated information on the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 6 December 2021, the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with IFS Capital Limited (“**IFS**” and collectively with the Company, the “**Parties**”), in relation to the proposed formation of a joint venture company (the “**JV Company**”) to provide tower cranes financing in the People’s Republic of China (the “**PRC**”).

PRINCIPAL TERMS OF THE MOU

1. Parties

- (1) The Company, a tower crane service provider for one-stop tower crane solution services from consultation, technical design, commissioning, construction to after-sales services primarily to Chinese Special-tier and Tier-1 EPC contractors.
- (2) IFS, a company listed on the main board of the Singapore Exchange Limited (Stock code: I49), which principally engages in the provision of commercial finance services including hire-purchase, leasing, factoring, loans, government-assisted schemes and trade/export finance.

Mr. Lim Hua Min (“**Mr. Lim**”) is a director and ultimate beneficial owner of the controlling stake of IFS. As at the date of this announcement, Phillip Capital (HK) Limited (“**Phillip Capital**”) owns approximately 5.55% of the issued capital of the Company, and Phillip Capital is owned as to 85.0% by Mr. Lim. By virtue of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Lim is deemed to be interested in the same number of shares of the Company in which Phillip Capital is interested. Save as disclosed above and as at the date of this announcement, to the best of the Directors’ knowledge, information and belief, and after making all reasonable enquiries, IFS and its ultimate beneficial owners are independent third parties of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

2. Purpose of the JV Company

The JV Company is proposed to be set up for the purpose of engaging in the business of providing tower cranes financing in the PRC.

3. Equity interest ratios

Subject to any definitive agreements which the Parties may subsequently enter into from time to time (the “**Definitive Agreements**”), the Parties shall procure the formation of a new limited liability company under the laws of the PRC as the JV Company, and registered capital of the JV Company will be owned as to 40% by the Company, and as to 60% by IFS.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Directors consider that entering into the MOU in respect of the proposed formation of the JV Company allows the Group to expand the tower crane financial leasing market in the PRC. The Directors believe that the entering into the MOU is in the interests of the Company and its shareholders as a whole, as the transactions contemplated under the MOU, if materialized, would enable the Group to enhance the tower crane financial leasing business and to broaden its income stream. The Directors also believe that by leveraging on the expertise of IFS in financial leasing, the cooperation with IFS will advance the Group’s existing service portfolio and provide new growth opportunities of the Group in the future, as well as further strengthen the Group’s market position in tower crane service market.

LISTING RULES IMPLICATIONS

Save for the provisions relating to the negotiation of the Definitive Agreements, confidentiality, costs and expenses, and governing laws, the MOU does not have any legal binding effect. The MOU may or may not lead to the entering into of the Definitive Agreements and the transactions contemplated thereunder may or may not be consummated. Should the proposed formation of the JV Company under the MOU, if materialized, constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules, further announcement will be made by the Company as and when appropriate in accordance to the Listing Rules.

As at the date of this announcement, the Parties have not entered into any legally binding agreement(s) in relation to the formation of the JV Company. As the formation of the JV Company may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Tat Hong Equipment Service Co., Ltd.
Ng San Tiong
Chairman and Non-executive Director

Hong Kong, 6 December 2021

As at the date of this announcement, the Board comprises Mr. Yau Kok San and Mr. Lin Han-wei as Executive Directors; Mr. Ng San Tiong, Mr. Sun Zhaolin and Mr. Liu Xin as Non-executive Directors; and Ms. Pan I-Shan, Mr. Wan Kum Tho and Dr. Huang Chao-Jen as Independent Non-executive Directors.