

TAI SIN ELECTRIC LIMITED

(Company Registration No. 198000057W)

(Incorporated in the Republic of Singapore)

BUYBACK OF ORDINARY SHARES BY CAST LABORATORIES PTE. LTD.

1. SHARE BUYBACK

- 1.1 The Board of Directors (the “**Board**”) of Tai Sin Electric Limited (the “**Tai Sin**”) wishes to announce that Cast Laboratories Pte. Ltd. (“**Cast Lab**”), a 65% owned subsidiary of Tai Sin had on 1 October 2014 effected and completed the purchase of 765,425 of its own ordinary shares, at \$3.91939119 per ordinary share, representing approximately 17.827% of the total number of issued and fully paid-up ordinary shares of Cast Lab (the “**Share Buyback**”) held by the following shareholders (the “**Vendors**”):-

Name	No. of ordinary shares	Purchase Consideration
Mr. Tay Yew Chye	538,132	\$2,109,149.82
Mdm Shirley Tay Yang Muay	227,293	\$890,850.18
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	765,425	\$3,000,000.00
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- for an aggregate consideration of \$3,000,000 (the “**Consideration**”) through a selective off-market acquisition pursuant to Section 76D of the Companies Act (Chapter 50) and on the terms conditions of a Written Memorandum entered into between Cast Lab and the Vendors.
- 1.2 The Share Buyback results in Tai sin’s percentage shareholding in Cast Lab increasing from 65% to 79.1%.
- ### 2. RATIONALE FOR THE ACQUISITION
- 2.1 The employment contract of Mr. Tay Yew Chye (one of the founders of Cast Lab) is due to expire by the end of the year. Mr. Tay has declined to remain as a non-executive Chairman on the Board of Cast Lab, preferring to leave and pursue other personal interests. That being the case Mr. Tay made an offer to sell his Cast Lab shares and those of his wife.
- 2.2 The Board of Directors of Tai Sin and Cast Lab appreciate and recognise Mr Tay’s contribution to the growth and profitability of the Cast Lab Group. The Cast Lab Management with support from Tai Sin therefore entered into negotiations to provide a fair, reasonable and amicable exit for Mr Tay.
- 2.3 The Share Buyback option was finally chosen as it had support from other minority shareholders of Cast Lab as well.
- 2.4 The Share Buyback raises Tai Sin’s control over the voting shares of Cast Lab to over 75%.

3. THE CONSIDERATION

- 3.1 The ordinary shares were repurchased entirely out of unappropriated profits of Cast Lab, with the Consideration funded through bank borrowings by Cast Lab.
- 3.2 The Consideration was arrived at on arm's length negotiations between Cast Lab and the Vendors, taking into account the unaudited financial statements of the Cast Lab for the financial year ended the 30 June 2014, showing a net asset value of \$13.5 million as at 30 June 2014.

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

- 4.1 The relative figures for the Acquisition computed on the relevant bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited ("Listing Manual") are as follows:-

Rule 1006	Base	Relative figure computed in accordance with the bases set out in Rule 1006
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as this is an acquisition
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	1.75%
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation ⁽ⁱ⁾	1.78%
(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 as no equity securities were issued

Notes:

- (i) Purchase Consideration of \$3,000,000 is compared to the market capitalisation of Tai Sin on 30 September 2014 of S\$168,403,300.

- 4.2 As the relative figures under Rule 1006 do not exceed 5%, the Acquisition constitutes a non-disclosable transaction pursuant to Rule 1010 of the Listing Manual.

5. FINANCIAL EFFECTS

- 5.1 The Share Buyback is not expected to have any material effect on the earnings per share and net tangible assets per share of the Tai Sin Group in the current financial year ending 30 June 2015.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 6.1 None of the directors or substantial shareholders of Tai Sin has any interest, direct or indirect (other than through Tai Sin), in the Share Buyback.

BY ORDER OF THE BOARD

Mr. Tan Shou Chieh
Secretary

Singapore, 1 October 2014