

TAI SIN ELECTRIC LIMITED

(Company Registration No. 198000057W)
(Incorporated in the Republic of Singapore)

ACQUISITION OF 30% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ASTAR LABORATORY PTE. LTD. BY CAST LABORATORIES PTE. LTD.

1. Introduction

The Board of Directors of Tai Sin Electric Limited (“**Tai Sin**”) wishes to announce that Cast Laboratories Pte. Ltd. (“**Cast Lab**”), a wholly owned subsidiary of Tai Sin, had on 30 April 2018 entered into Share Purchase Agreement to acquire 30% of the issued and paid-up share capital of Astar Laboratory Pte. Ltd. (“**Astar**”) for an aggregate purchase consideration of \$888,000 (the “**Acquisition**”) made up as follows:-

- (a) Out of the 1,000,000 existing issued Ordinary Shares, the shareholders of Astar (the “**Vendors**”) will sell in aggregate, **164,864** Ordinary Shares to Cast Lab at \$2.96 per share amounting to S\$488,000; and
- (b) Simultaneously, Astar will issue **193,052** new Ordinary Shares to Cast Lab at \$2.072 per share amounting to \$400,000.

After the Acquisition, Cast Lab will own 357,916 fully paid-up ordinary shares representing 30% of Astar.

The Acquisition was completed on 30 April 2018.

2. Information on Astar

Astar Laboratory Pte. Ltd. (Company Registration No. 201323826G), is registered under the laws of the Republic of Singapore. Its registered office is situated at 3 Soon Lee Street, #05-23 Pioneer Junction, Singapore 627606.

Astar is carrying on the business of providing environmental engineering services and laboratory testing services.

The audited net tangible assets of Astar as at 30 June 2017 was \$639,470 and its audited profit before tax for the year then ended was \$351,128.

3. Purchase Consideration

The aggregate purchase consideration of \$888,000 for the Acquisition (the “**Purchase Consideration**”) was agreed upon between Cast Lab, Astar and the Vendors on a willing buyer and willing seller basis.

The Purchase Consideration is funded from internal resources of Cast Lab.

4. Profit Guarantees

Two of the Vendors who remain as shareholders after the Acquisition, have given Profit Guarantees to jointly and severally make good to Cast Lab any shortfall in the guaranteed profit before tax in respect of the financial year ending 30 June 2018, by transferring an additional number of Shares that they hold in Astar to Cast Lab (computed in the manner set out in the Share Purchase Agreement), for a nominal consideration of \$2 in aggregate.

5. Option to purchase an additional 40% of Astar

Under the Share Purchase Agreement, Cast Lab has an option to acquire an additional 40% of Astar Shares from the two Vendors who remain as shareholders after the Acquisition, in the event that the Profit Target stipulated in the agreement is met.

6. Financial Effects

The Acquisition 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 2018.

7. Rationale for the Acquisition

Cast Lab is keen to expand into laboratory testing and widen the range of tests it provides.

8. Interests of Directors and Substantial Shareholders

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

BY ORDER OF THE BOARD

Tan Shou Chieh
Secretary

Singapore, 2 May 2018