

TAI SIN ELECTRIC LIMITED

(Company Registration No. 198000057W)

(Incorporated in the Republic of Singapore)

ACQUISITION OF 17 TUAS AVENUE 8, SINGAPORE 639232 BY CAST LABORATORIES PTE. LTD.

1. INTRODUCTION

1.1 The Board of Directors (the “**Board**”) of Tai Sin Electric Limited (the “**Company**”) wishes to announce that Cast Laboratories Pte. Ltd. (“**Cast Lab**”), a 65% owned subsidiary of Tai Sin had on 27 June 2014 entered into an Agreement (the “**Agreement**”) to purchase:-

(a) the property known as 17 Tuas Avenue 8, Singapore 639232 (the “**Property**”) for S\$7,650,000; and

(b) the wastewater system and assets as listed in the Agreement for S\$250,000;

from Interplex Singapore Pte Ltd (the “**Vendor**”).

2. INFORMATION ON THE PROPERTY

2.1 The Property is located at the north-western flank of Tuas Avenue 8, at its junction with Tuas Avenue 7, within Jurong Industrial Estate off Pioneer Road/Jalan Ahmad Ibrahim and about 26.5 km from the city centre.

2.2 The Property has a land area of 5,726.1 square metres or thereabouts and occupies a corner rectangular plot with a splayed corner. It enjoys a frontage of about 40.5 metres onto Tuas Avenue 8, a splayed corner of about 12 metres and a return frontage of about 112 metres. The land has a flat contour and is at the access road level generally.

2.3 Erected on site is an extended Type “C6” JTC detached factory with a mezzanine level. The Property has a floor area of approximately 3,250.31 square metres. Other improvements include surface car parking lots and guard house within its compound.

2.4 The Property is Leasehold 30 + 30 years commencing 16 December 1995, with an unexpired lease term of about 41 years.

3. THE PURCHASE CONSIDERATION

3.1 The purchase consideration payable by Cast Lab to the Vendor is S\$7,900,000 in aggregate (the “**Purchase Consideration**”) exclusive of goods and services tax. The Purchase Consideration was arrived at on arm’s length negotiations between the parties after taking into account the prevailing market conditions and the open market value of the Property based on a valuation report

commissioned by the Vendor for intended sale purpose, as at 20 March 2014, which arrived at the market value of S\$7,500,000 for the Property.

3.2 The Purchase Consideration will be satisfied in cash, funded by Cast Lab's internal funds as well as bank borrowings.

4. RATIONALE FOR THE ACQUISITION

4.1 The Cast Laboratories Group is currently facing space constraints to house its expanding operations. In addition, the lease of its properties will be expiring. The Property acquired will be used by the Cast Laboratories Group to alleviate space constraints hindering its growth potential.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

5.1 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 transaction is not a disposal of assets
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits ⁽ⁱ⁾	Not available
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation ⁽ⁱⁱ⁾	4.97%
(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 new equity securities are issued for the Acquisition

Notes:

(i) The net profits attributable to the assets acquired is not available.

(ii) Purchase Consideration of S\$7,900,000 is compared to the market capitalisation of Tai Sin on 26 June 2014 of S\$158,963,263.70.

5.2 As the relative figure under Rule 1006(c) does not exceed 5%, the Acquisition constitutes a non-disclosable transaction pursuant to Rule 1010 of the Listing Manual.

6. OTHERS

6.1 Completion of the Acquisition is *inter alia*, subject to:-

- (a) the Vendor obtaining its shareholders' approval to the sale within 45 days from the date of the Agreement; and
- (b) the receipt of requisite approvals from Jurong Town Corporation ("JTC") for the sale and purchase of the Property and the change of use of the Property.

6.2 Subject to the terms and conditions set out in the Agreement, the Acquisition shall be completed on the latest of the following dates:-

- (a) the later of:
 - (i) the date falling four (4) weeks from 30 October 2014; or
 - (ii) the date falling two (2) weeks after JTC confirms in writing that it has no objection to the execution of the Instrument of Transfer in respect of the Property.

BY ORDER OF THE BOARD

Mr. Tan Shou Chieh
Secretary

Singapore, 30 June 2014