

PROPOSED ACQUISITION OF PROPERTY

1. INTRODUCTION

The Board of Directors of Hai Leck Holdings Limited (the "Company" or the "Group") wishes to announce that Hai Leck Engineering (Private) Limited, a wholly owned subsidiary of the Company, has on 24 May 2011 exercised an option (the "Option") to purchase the property known as 40 Tuas West Road Singapore 638389 (the "Property") at a purchase price of S\$11,500,000 (the "Proposed Acquisition").

2. INFORMATION ON PROPERTY

The Property has a land area of about 33,868.3 square metres with a plot ratio of 0.47.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 CONSIDERATION

The purchase price for the Property was arrived at on a willing buyer-willing seller basis after taking into consideration various commercial factors including the development potential, location of the Property and the recent transacted prices for properties in the vicinity.

A sum of S\$115,000 had been paid upon the grant of the Option, and a further sum of S\$1,035,000 has been paid upon the exercise of the Option. The completion of the Proposed Acquisition is scheduled to take place 3 months from the date of exercise of the Option.

The cost of the Proposed Acquisition will be financed by internal funds.

3.2 MATERIAL CONDITIONS

The Proposed Acquisition is subject to, *inter alia*, Jurong Town Corporation granting its written approval on or before the Completion Date for the sale and purchase of the Property.

4. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition will enable the Group to expand its operations and facilities.

5. FINANCING EFFECTS OF THE TRANSACTION

The financial effects of the Proposed Acquisition are as set out below. The financial effects are shown for illustrative purposes only and do not necessarily reflect the exact future financial position and performance of the Company and its subsidiaries (the “Group”).

(a) Net Tangible Assets (“NTA”) Per share

Assuming that the Proposed Acquisition was completed on 30 June 2010 and based on the Group’s audited consolidated financial statements for the financial year ended 30 June 2010, the Proposed Acquisition would have the following *pro forma* impact on the consolidated NTA of the Group:-

	As at 30 June 2010	
	NTA of the Group (S\$'000)	NTA per share (Singapore cents)
Before the Proposed Acquisition	82,655	25.4
After the Proposed Acquisition	82,655	25.4

(1) Based on the NTA of the Group of \$82,655,000 divided by the Group’s issued ordinary shares of 325,014,000 as at 30 June 2010.

(b) Consolidated earnings per share (“EPS”)

Assuming that the Proposed Acquisition had been completed on 1 July 2009 and based on the Group’s audited consolidated financial statements for the financial year ended 30 June 2010, the Proposed Acquisition would have the following *pro forma* impact on the consolidated earnings per share of the Group:-

	Financial Year Ended 30 June 2010	
	Net Profit after Tax (S\$'000)	EPS - Basic (Singapore cents)
Before the Proposed Acquisition	13,499	4.1
After the Proposed Acquisition	13,499	4.1

Based on \$13,499,000 divided by 325,008,167 being the weighted average number of ordinary shares in issue as at 30 June 2010.

6. RELATIVE NUMBERS

The relative figures computed on the bases set out in Rules 1006(a) to Rule 1006(d) of the SGX-ST Listing Manual are as follows:-

		Relative Computation (%)
(i)	Net assets value of assets to be disposed of compared to the Group's net asset value.	Not Applicable
(ii)	Net profit attributable to the assets to be acquired , compared with the Group's net profits	Not applicable
(iii)	Aggregate value of consideration given or received, compared with the Company's market capitalisation based on total number of issued shares excluding treasury shares (Consideration of \$11,500,000. The Company's market capitalisation if $\$0.245^* \times 325,061,000 = 7,9639,945$)	14.4
(iv)	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

* Based on the volume weighted average closing price per share on 24 May 2011 of S0.245, being the last market day prior to exercise of the option.

Based on the relative numbers above, the Proposed Acquisition is a discloseable item under Rule 1010 of the Listing Manual.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Acquisition.

8. DOCUMENTS FOR INSPECTION

Copy of the Option is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 47 Tuas View Circuit Singapore 637357 for a period of three (3) months from the date of this announcement.

By Order of the Board

Cheng Li Chen
Chief Executive Officer
25 May 2011