



SINGHAIYI GROUP LTD.
(Company Registration No. 198803164K)
(Incorporated in the Republic of Singapore)

TENDER FOR PARK WEST AT JALAN LEMPENG SINGAPORE

1. INTRODUCTION

The Board of Directors (the “**Board**”) of SingHaiyi Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that the tender submitted by SingHaiyi Gold Pte. Ltd. (the “**Joint Venture**”), a subsidiary of the Company, for the collective purchase (the “**Acquisition**”) of the property known as Park West at 2 - 20 Jalan Lempeng, Singapore 128793 - 128802 (the “**Property**”) at the purchase price of S\$840,888,888 (the “**Purchase Price**”) has been duly accepted by the owners of the Property (the “**Owners**”) on 11 January 2018 (the “**Acceptance Date**”).

Sing-Haiyi Gold Pte. Ltd. is a 50-50 joint venture between SingHaiyi Land Pte. Ltd., a wholly-owned subsidiary of the Company, and Haiyi Wealth Pte. Ltd. (“**HWPL**”), an entity controlled by Mr. Gordon Tang and Mrs. Celine Tang, who are the controlling shareholders and Directors of the Company.

The Acquisition is in the ordinary course of business of the Group.

2. DESCRIPTION OF THE PROPERTY

The Property comprises a leasehold estate of 99 years commencing on 8 March 1982 with a land area of approximately 58,867 square metres with a plot ratio of 2.1. An estimated differential premium of S\$144.6 million is payable to redevelop the site to a maximum permissible gross floor area of about 135,982.8 square metres.

The Joint Venture intends to apply to the Singapore Land Authority for the grant of a fresh 99-year lease for the Property and to lift the title restrictions in the State Lease (the “**SLA Top-Up Consent**”). An estimated lease upgrading premium of S\$146.0 million is payable for the grant of a fresh 99-year lease.

3. TERMS OF PAYMENT

A tender fee of S\$1,000,000 had been paid upon the submission of the tender offer by the Joint Venture. The Joint Venture shall make a payment of 2.5% of the Purchase Price (less the tender fee) within 10 business days from the Acceptance Date.

A further 2.5% of the Purchase Price shall be paid within 10 business days after notification to the Joint Venture that:

- (i) the 100% consent has been obtained; or
- (ii) the Sale Order has been obtained from the Strata Title Board; or
- (iii) the Sale Order has been obtained from the High Court or the Court of Appeal,

whichever is the latest.

The sale and purchase of the Property shall be completed and the balance 95% of the Purchase Price shall be paid within 3 months:

- (i) after notification to the Joint Venture that the 100% consent has been obtained; or
- (ii) after notification to the Joint Venture that the Sale Order has been obtained from the Strata Title Board; or
- (iii) after notification to the Joint Venture that the Sale Order has been obtained from the High Court or Court of Appeal; or
- (iv) after the receipt of the SLA Top-Up Consent; or
- (v) after the receipt of an outline planning permission or provisional permission with a plot ratio of not less than 2.1 and gross floor area of no less than 123,620.7 square metres, with an allowable building height of not less than 24 storeys,

whichever is the latest (the “**Completion Date**”).

4. FUNDING OF THE ACQUISITION

The Acquisition will be funded by internal resources and bank borrowings.

5. KEY TERMS OF THE ACQUISITION

In addition to the key terms of the Acquisition mentioned above, other key terms include the following:

- (i) the Property is sold with vacant possession to be delivered within 6 months after the Completion Date; and
- (ii) the Property is sold free from encumbrances and the title to the Development shall be properly deduced including endorsement(s) of gift or undervalue transactions; and
- (iii) the sale of the Property is subject to the Joint Venture obtaining the approval of the Land Dealings (Approval) Unit or such other relevant authorities pursuant to the Residential Property Act for the purchase of the Property on or before the Completion Date; and
- (iv) the sale of the Property is subject to there being no acquisition or intended acquisition of more than 3% of the site area by the government.

6. RATIONALE FOR THE JOINT VENTURE

The Company believes that the Joint Venture is beneficial as:

- (i) it provides the Company with the opportunity to acquire a land site within an established residential area; and
- (i) it allows the Company to expand its development portfolio in Singapore.

7. INTERESTED PERSON TRANSACTION

7.1 **Interested Person.** HWPL is an entity controlled by Mr. Gordon Tang and Mrs. Celine Tang. Mr. Gordon Tang is a non-executive director of the Company and Mrs. Celine Tang is the Group Managing Director of the Company and hence both Mr. Gordon

Tang and Mrs. Celine Tang are each considered an “interested person” for the purpose of Chapter 9 of the Listing Manual. Accordingly, the Joint Venture is an interested person transaction.

7.2 **Rule 916(2) of the Listing Manual.** Having considered the Joint Venture, the Audit Committee of the Company is of the opinion that:

- (i) the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner; and
- (ii) the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders.

Accordingly, as the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner and the interested persons do not have an interest in the Joint Venture prior to the participation of the Company, the transaction falls within the scope of Rule 916(2) of the Listing Manual and the approval from shareholder is not required.

7.3 **Value of Interested Person Transactions.** For the current financial year commencing 1 April 2017: (i) save for the investment in the Joint Venture by the Group amounting to S\$1, (ii) the interested person transactions with Huajiang Properties II Pte. Ltd. amounting to S\$5,268,000, (iii) the interested person transactions with Huajiang International Corporation Pte. Ltd. amounting to S\$10,837,000 (iv) the interested person transactions with American Pacific International Capital Inc amounting to S\$2,046,000 and (v) the interested person transactions with OKH Holdings Pte. Ltd. amounting to S\$8,845,000, there are no other interested person transactions.

8. FURTHER INFORMATION

8.1 **Financial Effects.** The Acquisition is not expected to have a material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 March 2018.

8.2 **Interests of Directors and Controlling Shareholders of the Company.** Save as disclosed in this Announcement and save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company is deemed to have any interest, direct or indirect, in the Property and the Joint Venture.

BY ORDER OF THE BOARD

Celine Tang
Group Managing Director

11 January 2018