



SOON LIAN

HOLDINGS LIMITED

順 聯 控 股 有 限 公 司

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Co Reg. No. 200416295G

PROPOSED SALE OF PROPERTY AT 35 TUAS AVENUE 2, SINGAPORE 639464

Introduction

The Board of Directors of Soon Lian Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s circular dated 2 December 2013 (the “**Circular**”) and the extraordinary general meeting of the Company held on 17 December 2013 (the “**EGM**”) in relation to the proposed sale (the “**Proposed Sale**”) of the Company’s existing property at 35 Tuas Avenue 2, Singapore 639464 (the “**Existing Property**”).

Pursuant to the resolutions passed at the EGM, the Company’s wholly-owned subsidiary, Soon Lian Hardware (Pte.) Ltd. (the “**Vendor**”), granted to Galmon (S) Pte Ltd (the “**Purchaser**”) an option to purchase dated 6 January 2014 (the “**Option**”) for the purchase of the Existing Property at the price of S\$19.8 million (the “**Sale Price**”), excluding goods and services tax, and the Purchaser has exercised the Option on 20 January 2014.

The Sale Price

Pursuant to the terms of the Option, the Sale Price is payable as follows:

- (a) the sum of S\$198,000 (the “**Option Money**”) upon the grant of the Option;
- (b) an amount equivalent to 10% of the Sale Price less the Option Money upon the exercise of the Option; and
- (c) 90% of the Sale Price upon the completion of the sale and purchase of the Existing Property (the “**Completion**”).

Salient Terms of the Proposed Sale

The Proposed Sale is subject to, *inter alia*:

- (a) the Vendor and the Purchaser obtaining from Jurong Town Corporation (“**JTC**”):
 - (i) the approval for the Vendor to sell and the Purchaser to buy the Existing Property on the terms and conditions in the Option; and
 - (ii) the written confirmation that JTC has no objection to the execution of the Deed of Assignment/Instrument of Transfer in relation to the Existing Property (as the case may be), or such other confirmation of similar nature (the “**JTC Confirmation**”).
- (b) the completion of the Vendor’s purchase of the property at 9 Tuas Avenue 2, Singapore 639449 (the “**Proposed Purchase**”).

The Completion shall take place on 6 May 2014 or within four weeks from the date of the JTC Confirmation, whichever is the later.

Vacant possession of the Existing Property is to be delivered by the Vendor to the Purchaser on or before three months from the date of Completion and with all existing fixtures and fittings as listed in the inventory to be given on Completion. The Vendor shall not be required to pay any rent to the Purchaser for the period between the date of Completion and the date the Vendor delivers vacant possession of the Existing Property to the Purchaser.

Net Gain on the Proposed Sale and Use of Proceeds

The book value of the Existing Property, as reflected in the latest audited financial statements of the Group for the financial year ended 31 December 2012 (“**FY2012**”) and unaudited financial statements of the Group for the half year ended 30 June 2013 (“**HY2013**”), was approximately \$8.9 million and \$9.0 million, respectively. Based on the Sale Price of \$19.8 million, the excess of the Sale Price over the book value as at 31 December 2012 and 30 June 2013 is \$10.9 million and \$10.8 million respectively. After deducting the relevant expenses relating to the Proposed Sale, the net gain on the Proposed Sale for FY2012 and HY2013 is approximately \$10.7 million and \$10.6 million, respectively.

The net proceeds from the Proposed Sale will be used to fund the Proposed Purchase.

Financial Effects

Assuming that the Proposed Purchase and the Proposed Sale had been effected on 31 December 2012, the net tangible assets per share of the Company as at 31 December 2012 would have been 29.5 cents instead of 19.5 cents.

Assuming that the Proposed Purchase and the Proposed Sale had been effected on 1 January 2012, the earnings per share of the Company for FY2012 would have been 9.59 cents instead of 0.09 cents.

Please refer to the Circular for further details on the Proposed Purchase.

Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Sale (other than through their shareholdings in the Company, if any).

Document Available for Inspection

A copy of the Option is available for inspection at the registered office of the Company at 35 Tuas Avenue 2, Singapore 639464 during normal business hours for three months from the date of this announcement.

By Order of the Board

Tan Yee Chin
Chairman and CEO
21 January 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Canaccord Genuity Singapore Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Chia Beng Kwan, Deputy Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.