

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

**PROPOSED INVESTMENT IN TRIPLEONE SOMERSET**

**INTRODUCTION**

1. The Board of Directors (the **Board**) of SingHaiyi Group Ltd. (the **Company**) wishes to announce that SingHaiyi TripleOne Pte Ltd (**SHTPL**), its wholly-owned subsidiary, has today accepted a letter of participation dated 9 January 2014 (**LOP**) from Perennial Real Estate Holdings Pte. Ltd. (**PREH**) in relation to the proposed investment in a property known as TripleOne Somerset (which is located at 111 Somerset Road, TripleOne Somerset, Singapore 238164) (**TripleOne Somerset** or the **Property**) by SHTPL of S\$66,000,000 (**Subscription Amount**) through the subscription of Junior Bonds, Preference Shares and Ordinary Shares (all as defined below) to be issued by PREH's wholly-owned subsidiary, Perennial Somerset Investors Pte Ltd (the **Issuer**) or its related corporation (**Proposed Investment**).

**INFORMATION ABOUT TRIPLEONE SOMERSET AND RATIONALE FOR THE PROPOSED INVESTMENT**

2. The Property comprises two 17-storey office towers with two floors of retail space. The Property has a gross floor area of about 766,550 square feet, out of which about 117,940 square feet is for retail and the remaining 648,610 square feet for office use. The value of the Property is expected to be improved through tenant remix as well as an Asset Enhancement Initiative (**AEI**) to increase its retail offerings. With the repositioning of the retail mall, it is expected to improve the rental income post-AEI.
3. The Group believes that the commercial property market offers selective opportunities for yield-based investments. The Group has embarked on the first of such investments, in line with the Company's "value-added" strategy to create synergies and leverage on the expertise and experience of its joint partners.

**STRUCTURE OF THE ACQUISITION AND INVESTMENT**

4. Under the LOP, Perennial 111 Somerset Pte Ltd (**PSPL**), a wholly-owned subsidiary incorporated by the Issuer, will acquire the Property through a share acquisition (the **Acquisition**) of the entire issued capital of AREIF (Singapore I) Pte. Ltd. (**Target**) from Gorgeous International Limited (**Vendor**). The Property is currently held by the Target.
5. The purchase consideration of the Target comprises an agreed purchase price of S\$970.0 million for the Property and the net current asset value of the Target as at the completion date of the Acquisition and the stamp duty in respect of the transfer of the shares of the Target.
6. The Acquisition will be funded by way of bank borrowings and equity proceeds from redeemable and non-convertible junior bonds (**Junior Bonds**), redeemable and non-convertible preference shares (**Preference Shares**) and ordinary shares (**Ordinary Shares**) to be issued by the Issuer and subscribed by the investors (collectively the **Investors and each an Investor**). All the Junior Bonds, Preference Shares and Ordinary Shares to be issued to the Investors for the Acquisition will have the same terms and conditions.

7. By its acceptance of the LOP, SHTPL has agreed to be an Investor and to make an investment of the Subscription Amount to subscribe for such number of Junior Bonds, Preference Shares and Ordinary Shares representing 20.0% interest of the total investments of the Investors in the Target and the Property. In conjunction with the Proposed Investment, the Issuer will become an associated company of the Company.
8. Being the second largest investor with a 20.0% interest in the Target and the Property, the Company will be appointing a representative as a member to the project management team undertaking the asset enhancement works to be carried out under the AEI.
9. Pursuant to the LOP, SHTPL has paid a deposit of S\$9,700,000 (***Deposit***) to the Issuer, which Deposit shall be applied towards satisfaction of part of the Subscription Amount. The balance Subscription Amount of S\$56,300,000 shall be paid to the Issuer on the date of issue of the Junior Bonds, the Preference Shares and the Ordinary Shares to SHTPL, which would be the completion date of the Acquisition (currently expected to take place by 31 March 2014). The Proposed Investment will be funded from the internal resources or from other sources as deemed appropriate by the Board from time to time.
10. In due course, the Issuer and SHTPL will be in negotiations to agree on (a) the terms of a subscription agreement in respect of the Proposed Investment; and (b) an agreement amongst all the Investors to govern their relationship as Investors in the Target and the Property.

#### **DISCLOSURE OF INTERESTS**

11. The Proposed Investment is in the ordinary course of business of the Company in properties trading and properties investment and the Proposed Investment is not a transaction that is subject to the requirements of Chapter 10 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited.
12. Save as disclosed above, none of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Investment.

#### **BY ORDER OF THE BOARD**

Chen Huaidan (Serena)  
Group Managing Director  
9 January 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the Exchange and the Exchange 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.*

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