



SIM LIAN GROUP LIMITED

(Company Registration No. 200004760C)

PROPOSED ACQUISITION OF PROPERTIES IN QUEENSLAND, AUSTRALIA

1. INTRODUCTION

The Board of Directors of Sim Lian Group Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) wishes to announce the proposed acquisition of two (2) investment grade retail properties, Woolworths Shopping Centre and Masters Home Improvement Everton Park located at Queensland, Australia (collectively, the “**Properties**”), (the “**Proposed Acquisition**”).

2. INFORMATION ON THE PROPERTIES

The Properties offer complementary retail offerings presented over two high profile adjoining sites totalling 55,730 square metres. The Properties are strategically positioned at the intersection of major arterial roads, South Pine Road and Stafford Road. The Properties are well-positioned retail destinations within the well-established and expanding Brisbane inner residential suburb of Everton Park and the northern suburbs. Everton Park is located 7 km from the Brisbane central business district.

Woolworths Shopping Centre (“**Shopping Centre**”), which started trading in May 2015, occupies a site area of 17,070 square metres. The Shopping Centre is anchored by a full-line Woolworths supermarket occupying 71% of the total Gross Lettable Area of 5,687 square metres. The other tenants within the Shopping Centre include medical-related services, food and beverage outlets and a gymnasium.

The Masters Home Improvement Store spans 13,750 square metres on a site area of 38,660 square metres, is securely leased on a 15-year term. The Masters Home Improvement Store offers over 35,000 different product lines from electronic appliances to outdoor furniture.

The completion of the Proposed Acquisition is subject to the fulfilment of the conditions of the SPAs (as defined below). The Company will, in due course and where relevant, provide material updates and further information through SGXNET announcements.

3. PURCHASE CONSIDERATION

The Properties will be acquired by SLG Property Trust II through a newly constituted sub-trust, SLG Everton Park Trust (the “**Sub-Trust**”). RCP Property Australia Pty Ltd (“**RCP Property Australia**”) is the trustee of SLG Everton Park Trust.

RCP Property Australia, in its capacity as trustee of the Sub-Trust, has entered into sale and purchase agreements with Woolworths Properties Pty Ltd on 11 December 2015 (the “**SPAs**”) for the Proposed Acquisition at a total consideration of AUD70 million (the “**Purchase Price**”). The Purchase Price was arrived at based on a willing-buyer and willing-seller basis, taking into account, *inter alia*, current market conditions and supported by the independent valuation of the Properties. The open market valuation of the Properties is AUD 70.1 million based on valuations dated 15 October 2015, conducted by an independent valuer, Cushman & Wakefield.

The Group intends to fund the Proposed Acquisition with a combination of internal funds and bank borrowings.

4. FINANCIAL EFFECTS

Based on the unaudited consolidated accounts of the Group for the first quarter ending 30 September 2015, the Proposed Acquisition is expected to have material impact on the consolidated earnings per share of the Group for the current financial year ending 30 June 2016, but is not expected to have a material effect on the net tangible assets per share of the Group for the current financial year ending 30 June 2016.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors of the Company has any interest, direct or indirect, in the Acquisition (other than in their capacity as directors or shareholders of the Company). As far as the directors of the Company are aware, no controlling shareholder of the Company has an interest, direct or indirect, in the Acquisition (other than in their capacity as shareholders of the Company).

6. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in the trading of their shares in the Company. The Proposed Acquisition is subject to, *inter alia*, the fulfilment of the conditions of the SPAs. There is no certainty and assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof.

By Order of the Board
Sim Lian Group Limited

Ang Lay Hua / Zalili Yunus
Joint Company Secretaries
11 December 2015

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Board's current view on future events.