



SINGHAIYI GROUP LTD.

(Company Registration No. 198803164k)
(Incorporated in the Republic of Singapore)

- (I) **SUBSCRIPTION FOR 25 PER CENT. INTEREST IN ARA HARMONY FUND III, L.P.;**
AND
(II) **ACQUISITION OF 35 PER CENT. STAKE IN ARA FUND MANAGEMENT (HARMONY III) LIMITED**

1. INTRODUCTION

The board of directors (the “**Board**”) of SingHaiyi Group Ltd. (the “**Company**”) wishes to announce that:

- (i) Asset Century International Limited (“**ACIL**”), a wholly-owned subsidiary of the Company, has today subscribed for a 25 per cent. interest (“**Interest**”) as a limited partner of ARA Harmony Fund III, L.P. (the “**Fund**”) for an aggregate subscription amount of MYR120.0 million (approximately S\$45.0 million). The other limited partners to the Fund include ARA Real Estate Investors XI Limited, SRE Venture 5 Pte. Ltd. and an entity wholly-owned by Mr Gordon Tang and Mdm Chen Huaidan collectively (“**GT SPV**”)¹ (the “**Subscription**”);
- (ii) Golden Gulf Enterprises Limited (“**GGEL**”), a wholly-owned subsidiary of the Company, has today entered into a joint venture with ARA Portfolio Management Limited in respect of ARA Fund Management (Harmony III) (the “**General Partner**”), pursuant to which GGEL shall subscribe for 35 shares (“**Acquisition Shares**”) in the capital of the General Partner, representing approximately 35 per cent. of the issued and paid-up ordinary shares of the General Partner, for a nominal subscription amount of USD\$35 (approximately S\$48) (the “**Acquisition**”); and
- (iii) ACIL and GGEL were incorporated with a paid-up capital of USD\$10 each to facilitate the Subscription and the Acquisition, respectively. The consideration for the incorporation of ACIL and GGEL was funded by internal cash funds.

2. INFORMATION ON THE SUBSCRIPTION AND THE ACQUISITION

2.1 Rationale for the Subscription and the Acquisition

- (i) The assets held under the Fund comprise a portfolio of commercial properties located across various prominent locations in Malaysia, including (a) Kuala Lumpur, the capital city of Malaysia, (b) the Greater Kuala Lumpur region of Selangor, (c) Ipoh and (d) Malacca (the “**Malaysian Assets**”), the details of which are set out in the Appendix.

- (ii) The Company believes that the Subscription is beneficial as it provides the Company with a rare opportunity to enter Malaysia's retail sector and gain exposure to a diversified portfolio of high quality income producing properties.
- (iii) The Company believes that the Acquisition is beneficial as it will allow the Company (a) to be involved in the management of a Fund platform through the General Partner, which is responsible for the management, control and operation of the Fund, and (b) to receive an additional source of income from the General Partner which will receive management fees.

2.2 Information on the Fund and the General Partner

- (i) The Fund was incorporated as an exempted limited partnership in the Cayman Islands. The Fund has been established to, *inter alia*:
 - (a) maximise total returns by acquiring, directly or indirectly, the Malaysian Assets, and to hold, develop, maintain, manage, improve, renovate, rehabilitate, operate, lease, sell and otherwise use for profit such investments and any personal property used in connection therewith either directly or through holding companies or special purpose investment vehicles, whether wholly or partially owned; and
 - (b) acquire, directly or indirectly, any other retail or commercial assets in Malaysia, and to hold, develop, maintain, manage, improve, renovate, rehabilitate, operate, lease, sell and otherwise use for profit such investments and any personal property used in connection therewith either directly or through holding companies or special purpose investment vehicles, whether wholly or partially owned.
- (ii) The General Partner was incorporated as an exempted limited liability company in the Cayman Islands.

2.3 Consideration for the Interest and the Acquisition Shares

- (i) **Value of Consideration.** For the purposes of Chapter 10 of the listing manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Listing Manual"), the aggregate value of the consideration payable for (a) the Interest is MYR120.0 million (approximately S\$45.0 million) and (b) the Acquisition Shares is USD35 (approximately S\$48).
- (ii) **Pricing Factors.** The aggregate consideration payable for the Interest and the Acquisition Shares was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis, and determined on the basis of and taking into account various commercial factors including (a) the current market prices of the Malaysian Assets and (b) the locations of the Malaysian Assets.
- (iii) **Satisfaction of Consideration.** The consideration for the Interest and the Acquisition Shares will be funded entirely through internal cash funds.

2.4 Value of the Interest and the Acquisition Shares

- (i) **Book Value and Asset Value.** The book value and net tangible asset value of the Interest and the Acquisition Shares will be at the cost of investment, being S\$45.0 million and S\$48 respectively.
- (ii) **Net Profits / Losses**
 - (a) As the Fund is established pursuant to the Subscription, it does not have a historical net profit or loss.
 - (b) Prior to the Acquisition, the General Partner was a dormant company and does not have any historical reported net profits or losses.

3. ILLUSTRATIVE FINANCIAL EFFECTS

- 3.1 Bases and Assumptions.** The pro forma combined financial effects of the Subscription and the Acquisition on the Company have been computed based on the unaudited Full Year Announcement of the Company and its subsidiaries ("**SHG Group**") for the financial year ended 31 March 2015 ("**SHG Group FY2015 Results**"). Such financial effects have been prepared purely for illustrative purposes only and do not reflect a projection of the actual future financial performance or financial position of the enlarged SHG Group following the consummation of the Subscription and the Acquisition.

The pro forma combined financial effects set out below have been prepared on the basis that (i) the Fund is newly established pursuant to the Subscription and does not have a historical net profit or loss; and (ii) the General Partner was a dormant company prior to the Acquisition and does not have any historical reported net profits or losses.

- 3.2 Net Tangible Assets ("NTA").** For purely illustrative purposes only, assuming the Subscription and the Acquisition had been effected on 31 March 2015, being the end of the most recently completed financial year of the SHG Group ended 31 March 2015 ("**FY2015**"), the NTA per share of the Company ("**SHG Share**") for FY2015, based on the SHG Group FY2015 Results, would remain unchanged at 15.50 cents² both before and after the entry into the Subscription and the Acquisition.
- 3.3 Earnings Per SHG Share ("EPS").** For purely illustrative purposes only, assuming the Subscription and the Acquisition had been effected on 1 April 2014, being the beginning of FY2015, the EPS for FY2015, based on the SHG Group FY2015 Results, would remain unchanged at 0.739 cents³ both before and after the entry into the Subscription and the Acquisition.

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The Subscription – Relative Figures. The relative figures for the Subscription computed on the relevant bases set out in Rule 1006 of the Listing Manual are as follows:

² Calculated based on 2,863,089,912 issued SHG Shares, being the number of SHG Shares outstanding as at 31 March 2015.

³ Calculated based on the adjusted weighted average number of SHG Shares of 2,866,699,404, taking into consideration the convertible bonds and share options that are dilutive to EPS as at 31 March 2015.

Rule 1006	Bases	The Subscription	SHG Group	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the SHG Group's net asset value.	Not applicable		
(b)	The net profit / (loss) attributable to the Interest, compared with the SHG Group's net profit / (loss).	Not applicable ⁽¹⁾		
(c)	The aggregate value of the consideration paid, compared with the Company's market capitalisation based on the total number of issued SHG Shares excluding treasury shares ⁽²⁾ .	S\$45 million	S\$389.1 million	11.57%
(d)	The number of equity securities issued by the Company as consideration for the Interest, compared with the number of equity securities of the Company previously in issue.	Not applicable as there is no issuance of equity securities for the Interest		
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the SHG Group's proved and probable reserves.	Not applicable as the Company is not a mineral, oil and gas company		

Notes:

⁽¹⁾ The Fund is newly established pursuant to the Subscription.

⁽²⁾ Market capitalisation has been calculated on the basis of 2,863,089,912 SHG Shares in issue at the date of this Announcement multiplied by the volume weighted average price of the SHG Shares transacted on the SGX-ST on 23 June 2015, being the full market day prior to the date of this Announcement on which the SHG Shares were last traded on the SGX-ST, being S\$0.1359.

4.2 The Subscription – Classification. As the relative figures under Rule 1006(c) exceeds 5 per cent. but does not exceed 75 per cent., the Subscription is a “discloseable transaction” for the purposes of Chapter 10 of the Listing Manual which does not require the approval of the shareholders of the Company (“Shareholders”) at a general meeting.

4.3 The Acquisition – Classification. As the General Partner was a dormant company prior to the Acquisition, there is no historical net profit or losses associated with the Acquisition. In addition, the relative figure for the Acquisition computed on the relevant basis set out in Rule 1006(c) of the Listing Manual is not meaningful as the aggregate value of the consideration paid for the Acquisition Shares is a nominal amount of S\$48. Accordingly, the Acquisition is a “non-discloseable transaction” for the purposes of Chapter 10 of the Listing Manual which does not require the approval of the Shareholders at a general meeting.

5. INTERESTED PERSON TRANSACTION

- 5.1 Interested Person.** GT SPV, an entity which is wholly-owned by Mr Gordon Tang and Mdm Chen Huaidan collectively, has also subscribed for a 25 per cent. interest as a limited partner of the Fund for an aggregate consideration of approximately S\$45.0 million.

As (i) Mr Gordon Tang is a non-executive director and a controlling shareholder of the Company and (ii) Mdm Chen Huaidan is the group managing director and a controlling shareholder of the Company, Mr Gordon Tang and Mdm Chen Huaidan are each considered an “interested person” for the purposes of Chapter 9 of the Listing Manual. Accordingly, the Subscription is an interested person transaction. The Subscription represents approximately 10.78% of the Group’s audited net tangible assets as at 31 March 2014.

- 5.2 Rule 916(2) of the Listing Manual.** Having considered the Subscription, the Audit Committee of the Company is of the view that:

- (i) the risks and rewards of the Subscription are in proportion to the equity of each limited partner to the Fund; and
- (ii) the terms of the Subscription are not prejudicial to the interests of the Company and its minority shareholders.

Accordingly, as the risks and rewards of the Subscription are in proportion to the equity of each limited partner to the Fund and the interested persons do not have an existing equity interest in the Fund prior to the participation of the Company, the transaction falls within the scope of Rule 916(2) of the Listing Manual.

- 5.3 Value of Interested Person Transactions.** For the current financial year commencing on 1 April 2015: (i) save for the Subscription, there are no interested person transactions relating to Mr Gordon Tang and Mdm Chen Huaidan; and (ii) save for the Subscription, there are no other interested person transactions.

6. FURTHER INFORMATION

- 6.1 Material Conditions.** There were no material conditions of note attaching to the Subscription and the Acquisition.

- 6.2 Directors’ Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Subscription and the Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

- 6.3 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 has any interest, direct or indirect, in the transactions contemplated by the Subscription and the Acquisition.

BY ORDER OF THE BOARD

Chen Huaidan @ Celine Tang
Group Managing Director

24 June 2015
Singapore

*This Announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Company's Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this Announcement.*

This Announcement has not been examined or approved by SGX-ST and 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 Company's Sponsor is Mr. Ong Hwee Li (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

Appendix

Malaysian Assets

1. Aeon Bandaraya Melaka Mall, Malacca;
2. 1 Mont' Kiara Mall and Wisma Mont' Kiara, Kuala Lumpur;
3. Klang Parade, Klang, Selangor;
4. Ipoh Parade, Ipoh, Perak; and
5. Citta Mall, Petaling Jaya, Selangor.