



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

A. INCORPORATION OF JOINT VENTURE COMPANIES

B. PROVISION OF SHAREHOLDERS' LOANS TO JOINT VENTURE COMPANIES

1. INTRODUCTION

The Board of Directors (the "**Board**") of SingHaiyi Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") refers to the Company's announcement "Successful Joint Offer – Peace Centre / Peace Mansion" dated 3 December 2021 (the "**3 December 2021 Announcement**").

Unless otherwise stated, terms defined in the 3 December 2021 Announcement shall have the same meaning in this announcement.

2. INCORPORATION OF JOINT VENTURE COMPANIES

The Board of the Company wishes to announce that two joint venture companies (collectively, the "**JV Companies**", and each, a "**JV Company**") have been incorporated on 14 December 2021. In accordance with the Joint Offerors' Participation Proportions to jointly undertake the Project, the details of the JV Companies are as follows:

Name	:	Sophia Residential Pte. Ltd.	
Issued & paid-up share capital	:	S\$10.00	
Shareholders	:	CEL Development Pte. Ltd.	(40% shareholding)
		Sing-Haiyi Crystal Pte. Ltd.	(30% shareholding)
		Ultra Infinity Pte. Ltd.	(30% shareholding)

Name	:	Sophia Commercial Pte. Ltd.	
Issued & paid-up share capital	:	S\$10.00	
Shareholders	:	CEL Development Pte. Ltd.	(40% shareholding)
		Sing-Haiyi Crystal Pte. Ltd.	(30% shareholding)
		Ultra Infinity Pte. Ltd.	(30% shareholding)

3. PROVISION OF SHAREHOLDERS' LOANS TO JOINT VENTURE COMPANIES

On 15 December 2021, CEL, SHCPL and UIPL (collectively, the "**JV Partners**") entered into a shareholders' loan agreement (the "**Loan Agreement**") with the JV Companies.

Under the terms of the Loan Agreement, the JV Partners have agreed to provide to the JV Companies collectively a loan facility up to an aggregate principal amount of S\$350 million (the "**Loan Facility**"). Each shareholders' loan to be drawn down under the Loan Facility (each, a "**Shareholders' Loan**") shall be provided by the JV Partners according to their respective shareholding percentages in the JV Companies.

The JV Companies are entitled to request to draw down from the Loan Facility during the period commencing from the date of the Loan Agreement and ending on the date falling three months after the temporary occupation permit for the Project is granted.

The rationale for the provision of the Loan Facility is to provide funding to the JV Companies in connection with the Project, including funding the purchase price and stamp duty payable for the Property and the ongoing working capital requirements for the Project.

4. INTERESTED PERSON TRANSACTIONS

4.1 Rule 916(2) of the Listing Manual – Investment in Joint Venture. In relation to the incorporation of the JV Companies, the investment by CEL and SHCPL in the Joint Venture constitutes an interested person transaction of the Company for purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”). As mentioned in the 3 December 2021 Announcement, the Audit Committee of the Company was satisfied that the Company’s investment in the Joint Venture will be within the scope of Rule 916(2) of the Listing Manual.

4.2 Rule 916(3) of the Listing Manual – Provision of Shareholders’ Loans. In relation to the Shareholders’ Loans, as CEL has an interest of 40% in each JV Company, the JV Companies are associates (as defined in the Listing Manual) of the Controlling Shareholders. Therefore, the provision of the Shareholders’ Loans by the Company to the JV Companies is an interested person transaction.

The Shareholders’ Loans have been extended by the JV Partners in their respective Participation Proportions and on the same terms and conditions, including the interest rate, if any, on interest accrued on the Shareholders’ Loans.

None of the Controlling Shareholders or their associates had any existing equity interest in the Joint Venture prior to the participation of SHCPL in the Joint Venture.

Based on the terms and conditions relating to the Shareholders’ Loans, the Audit Committee of the Company is of the view that:

- (i) the provision of the Shareholders’ Loans by SHCPL is not prejudicial to the interests of the Company and its minority shareholders; and
- (ii) the risks and rewards for each JV Partner are in proportion to the equity of each JV Partner in the Joint Venture and the terms of the Shareholders’ Loans are not prejudicial to the interests of the Company and its minority shareholders.

The Company will make a further announcement when the JV Agreement is entered into, which announcement will include the Audit Committee’s views on the terms of the JV Agreement pursuant to Rule 916(2) of the Listing Manual.

4.3 Value of Interested Person Transactions.

As at the date of this announcement, the current total of all interested person transactions of the Company and with the Controlling Shareholders and their associates for the financial year ending 31 March 2022 is approximately S\$265,985,000 comprising the following:

- (i) approximately S\$264,156,000 falls within the scope of Rule 916(2) and Rule 916(3) of the Listing Manual. Such transactions are as disclosed in this announcement, the 3 December 2021 Announcement and in the Company’s announcements released on 7 May 2021, 19 May 2021, 24 August 2021 and 9 November 2021 in relation to Maxwell House project; and
- (ii) the remaining value of approximately S\$1,829,000 is less than 5% of the Group’s latest audited net tangible assets.

5. FURTHER INFORMATION

5.1 Financial Effects. The incorporation of the above-mentioned JV Companies and the provision of the Shareholders’ Loans are, and will be funded by internal resources and are 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 2022.

5.2 Interest of Directors and Controlling Shareholders of the Company. Save as disclosed in the 3 December 2021 and 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 Joint Venture.

BY ORDER OF THE BOARD

Celine Tang
Group Managing Director

15 December 2021