



## **SINGHAIYI GROUP LTD.**

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

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### **INVESTMENT IN STAPLED SECURITIES OF CROMWELL PROPERTY GROUP**

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#### **1. INTRODUCTION**

The Board of Directors (the “**Board**”) of SingHaiyi Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has today subscribed for 61,000,000 units which is equivalent to approximately 3.45% of the existing stapled securities (“**Cromwell Securities**”) in Cromwell Property Group (“**Cromwell**”), each comprising one ordinary share issued in Cromwell Corporation Limited (“**CCL**”) stapled to one ordinary unit issued in Cromwell Diversified Property Trust (“**CDPT**”), for an aggregate subscription amount of A\$59.1 million (approximately S\$60.1 million) (the “**Subscription**”). Haiyi Holdings Pte. Ltd. (“**Haiyi Holdings**”), the controlling shareholders of the Company, has also subscribed for 114,052,515 units which is equivalent to approximately 6.45% of the Cromwell Securities for an aggregate consideration of approximately A\$110.5 million (approximately S\$112.3 million). The subscription by the Company and Haiyi Holdings represents 9.9% of the existing stapled securities in Cromwell.

#### **2. THE SUBSCRIPTION**

##### **2.1 Information on Cromwell**

Cromwell is a global real estate investment manager and is listed on the S&P/ASX 200. As at 30 June 2017, Cromwell had a market capitalisation of A\$1.7 billion, a direct property investment portfolio in Australia valued at A\$2.3 billion and total assets under management of A\$10.1 billion across Australia, New Zealand and Europe. Cromwell’s total assets under management are spread across a range of sectors including office (57%), retail (18%), industrial / logistics (15%), property securities (7%) and others (3%). Cromwell is the sponsor of Cromwell European Real Estate Investment Trust (“**CEREIT**”) which is listed on the Main Board of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Mr Gordon Tang, a Non-Executive Director of the Company, and Mrs Celine Tang, the Group Managing Director of the Company, hold an interest of approximately 13.9% in CEREIT.

##### **2.2 Consideration for the Subscription**

The issue price per Cromwell Security subscribed by the Company is A\$0.9691 which represents a discount of 4.9% to the one-month volume weighted average price of A\$1.0191 per Cromwell Security. The discount was arrived at after arm’s length negotiations, on a willing-buyer and willing-seller basis, taking into account various commercial factors including the

market value of the Cromwell Securities. The aggregate subscription amount is expected to settle on 15 December 2017 and will be funded entirely through internal cash funds.

The book value of the Cromwell Securities will be the aggregate subscription amount, being S\$60.1 million. The net tangible asset value and the market value of the Cromwell Securities will be A\$62.8 million (approximately S\$63.9 million) based on the closing price as at 8 December 2017.

The Company has agreed that it will not dispose or agree to dispose of any part of the Cromwell Securities for a period of at least 12 months from the completion of the Subscription.

## 2.3 Rationale for the Subscription

The Company believes that the Subscription is beneficial as:

- (i) it provides the Company with an opportunity into Australia and gain exposure to a diversified portfolio of high quality income producing properties; and
- (ii) it strengthens the recurring income base of the Company.

## 3. ILLUSTRATIVE FINANCIAL EFFECTS

### 3.1 Bases and Assumptions

The pro forma financial effects of the Subscription on the Company are strictly for illustrative purposes only and have been prepared based on:

- (i) the audited consolidated financial statements of the Group for the financial year ended 31 March 2017 (the “**FY2017 Audited Consolidated Financial Statements**”); and
- (ii) annual dividend yield of 7.3% net of withholding tax on the issue price per Cromwell Security subscribed by the Company; and
- (iii) the market value of the Cromwell Securities is S\$63.9 million.

### 3.2 Net Tangible Assets (“NTA”)

For purely illustrative purposes only, the pro forma financial effects of the Subscription on the NTA per share of the Company (“**SHG Share**”) as at 31 March 2017, as if the Company had completed the Subscription on 31 March 2017, are as follows:

	As at 31 March 2017	
	Before the Subscription	After the Subscription
NTA (S\$'000)	489,844	493,644
SHG Shares in issue (excluding treasury shares)	2,870,297,850	2,870,297,850
NTA per SHG Share (cents)	17.07	17.20

### 3.3 Earnings Per SHG Share (“EPS”)

For purely illustrative purposes only, the pro forma financial effects of the Subscription on the EPS for the financial year ended 31 March 2017 (“FY2017”), as if the Company had completed the Subscription on 1 April 2016, are as follows:

	FY2017	
	Before the Subscription	After the Subscription
Earnings (S\$'000)	31,111	35,498
EPS basic (cents)	1.084 <sup>(1)</sup>	1.240
EPS diluted (cents)	1.084 <sup>(1)</sup>	1.240

**Note:**

<sup>(1)</sup> Calculated based on the weighted average number of SHG Shares excluding treasury shares of 2,869,922,642 as at 31 March 2017.

### 4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

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

Rule 1006	Bases	The Subscription	The Group	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable		
(b)	The net profit attributable to the Cromwell Interest, compared with the Group's net profit.	Not applicable as this is a new subscription with no dividend on the date of subscription		
(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 as at 8 December 2017.	S\$60.1 million	S\$347.3 million	17.3
(d)	The number of equity securities issued by the Company as consideration for the Cromwell Interest, compared with the number of equity securities of the Company previously in issue.	Not applicable as there is no issuance of equity securities in consideration for the Cromwell Securities		
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable as the Company is not a mineral, oil and gas company		

As the relative figures under Rules 1006(c) exceeds 5 per cent. but does not exceed 20 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 at a general meeting.

## **5. FURTHER INFORMATION**

### **5.1 Directors’ Service Contracts**

No person is proposed to be appointed as a director of the Company in connection with the Subscription. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

### **5.2 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 Subscription.

## **BY ORDER OF THE BOARD**

Celine Tang  
Group Managing Director

11 December 2017