



**SHENG SIONG GROUP LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 201023989Z)

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**EXERCISE OF OPTION TO PURCHASE THE PROPERTY AT  
BLOCK 209 NEW UPPER CHANGI ROAD #01-631 SINGAPORE 460209**

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**1. INTRODUCTION**

The Board of Directors of Sheng Siong Group Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Sheng Siong Supermarket Pte Ltd (the "**Purchaser**"), was granted an option by Heartland Retail Holdings Pte Ltd (the "**Vendor**") dated 28 March 2016 (the "**Option**") to purchase the commercial premises (the "**Property**") situated at Block 209 New Upper Changi Road #01-631 Singapore 460209 (the "**Proposed Acquisition**") for an aggregate consideration of S\$53,037,022.50 (the "**Consideration**"). The Purchaser has exercised the Option on 8 April 2016.

The Property comprises the first and second storeys of a four-storey Housing and Development Board ("**HDB**") commercial property, and is situated within the recently upgraded Bedok Town Centre. The Property has a gross floor area of approximately 2,844 square metres, with a leasehold tenure of 86 years commencing from 1 July 1992. The Property is currently leased by the Purchaser from the Vendor for the operation of the Group's store thereat.

**2. CONSIDERATION**

The Consideration was arrived at on a willing-buyer, willing-seller basis, taking into consideration, *inter alia*, the valuation of the Property, and the rationale for the Proposed Acquisition as described in paragraph 5 below, and will be funded by internal funds.

An option fee of S\$530,370.25, representing 1% of the Consideration, was paid to the Vendor on the grant of the Option. A further S\$4,773,332.05, representing 9% of the Consideration, is payable to the Vendor's solicitors, as stakeholders pending completion of the Proposed Acquisition ("**Completion**"), on the exercise of the Option. The remaining 90% of the Consideration is payable to the Vendor and/or its mortgagee, on Completion.

**3. TERMS OF THE OPTION**

**3.1 Conditions**

The Proposed Acquisition is subject to, *inter alia*:

- (a) written approval of HDB and, where required by HDB, the competent authorities, for the Proposed Acquisition (the "**HDB Approval**");

- (b) HDB not imposing any restriction against the current use of the Property as a condition for granting the HDB Approval; and
- (c) there being no fees, levies or charges, other than administrative fees for the application for the HDB Approval, being payable by the Vendor or the Purchaser to HDB as a condition for the HDB Approval.

If the HDB Approval is (i) not obtained by the date falling six (6) weeks from and after the date of exercise of the Option; or (ii) HDB Approval is obtained but the conditions to such approval are in breach of paragraphs (b) and/or (c) above, the Vendor and Purchaser shall each be entitled to terminate the sale and purchase of the Property. Upon written notice of such termination, the monies paid by the Purchaser under the Option shall be refunded to the Purchaser.

### **3.2 Completion**

Completion shall take place by 11 a.m. on:

- (a) the date falling six (6) weeks from and after the date of exercise of the Option; or
  - (b) the date falling two (2) weeks from and after the HDB Approval is obtained,
- whichever is the later.

## **4. VALUATION OF THE PROPERTY**

Based on a valuation commissioned by the Purchaser and conducted by Jones Lang LaSalle Property Consultants Pte Ltd as at 2 February 2016 (the "**Valuation Report**"), the market value of the Property, free from all encumbrances, is S\$52 million. The afore-mentioned valuation was made on the basis of market value, as defined by the International Valuation Standards and the Singapore Institute of Surveyors and Valuers.

## **5. RATIONALE**

The Board of Directors of the Company is of the view that the Proposed Acquisition is in the Group's best interests. The Group has a store located at the Property. The Proposed Acquisition will enable the Group to secure the Property with a view to ensuring this store's continued operations and contributions to the Group.

## **6. NON-DISCLOSEABLE TRANSACTION**

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual do not exceed 5%. Accordingly, the Proposed Acquisition constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors, controlling or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

**8. FURTHER ANNOUNCEMENTS**

The Company will make further announcements in relation the Proposed Acquisition as and when there are material developments.

**9. DOCUMENTS FOR INSPECTION**

A copy of the Option and the Valuation Report will be made available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

**By Order of the Board**

Lim Hock Chee  
Chief Executive Officer

8 April 2016