



**SHENG SIONG GROUP LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 201023989Z)

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**PURCHASE OF THE PROPERTY AT  
BLOCK 118 ALJUNIED AVENUE 2 #01-100 SINGAPORE 380118**

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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**"), has entered into a sale and purchase agreement with Jelita Property Pte Ltd (the "**Vendor**") dated 14 November 2019 (the "**SPA**") to purchase the commercial premises (the "**Property**") situated at Block 118 Aljunied Avenue 2 #01-100 Singapore 380118 (the "**Proposed Acquisition**") for an aggregate consideration of S\$29,500,000 (the "**Consideration**").

The Property comprises units in the first and second storeys of a seven-storey Housing and Development Board ("**HDB**") commercial property with a four-storey public carpark annex. The Property has a gross floor area of approximately 2,717 square metres, with a leasehold tenure of 86 years commencing from 1 July 1993.

**2. CONSIDERATION**

The Consideration was arrived at on a willing-buyer, willing-seller basis, taking into consideration, *inter alia*, the value of the Property, and the rationale for the Proposed Acquisition as described in paragraph 4 below, and will be funded by internal funds.

A deposit of S\$2,950,000, representing 10% of the Consideration, was paid upon the signing of the SPA, to the Vendor's solicitors to be held by the Vendor's solicitors, as stakeholders pending completion of the Proposed Acquisition ("**Completion**"). The remaining 90% of the Consideration is payable to the Vendor after adjustments to reflect any apportionment of land rent, property tax, expenses, outgoings and levies, rents and profits payable by the Company, on Completion.

**3. TERMS OF THE SPA**

**3.1 Conditions**

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

- (a) HDB approving the use of the Property for a supermarket which is deemed satisfied by way of HDB's letter dated 31 October 2019; and
- (b) written approval of HDB and, where required by HDB, the relevant authorities, for the Proposed Acquisition (the "**HDB Approval**").

If the HDB Approval is (i) not obtained by the date falling eight (8) weeks from the date of the SPA ("**Long Stop Date**"), the Vendor shall be entitled, by written notice to the Purchaser, to extend the Long Stop Date by a further four (4) weeks from the Long Stop Date or such other date as the Vendor and the Purchaser shall mutually agree ("**Extended Long Stop Date**") for purpose of obtaining the HDB Approval. If HDB Approval shall not have been obtained by the Extended Long Stop Date, either Party shall have the right immediately at any time after the Extended Long Stop Date by notice in writing to the other Party to rescind this Agreement.

### **3.2 Completion**

Completion shall take place on the date falling not later than four (4) weeks after the HDB Approval is obtained.

## **4. RATIONALE**

The Board of Directors of the Company is of the view that the Proposed Acquisition is in the Group's best interests. The Proposed Acquisition would enable the Group to open an additional store and is in line with the Group's strategy to operate supermarkets in areas where our potential customers reside.

The Property is located within reasonable walking distance from Aljunied MRT station and in close proximity to Geylang Polyclinic, NTUC Health Nursing Home (Geylang East) and Aljunied Industrial Estate.

## **5. 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.

## **6. 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.

## **7. FURTHER ANNOUNCEMENTS**

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

## **8. FINANCIAL IMPACT**

The Proposed Acquisition is not expected to have any significant impact on the Group's financial performance for the current financial year.

**9. DOCUMENTS FOR INSPECTION**

A copy of the SPA 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

15 November 2019