



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

Development Management Agreement in relation to redevelopment of Park Mall

1. INTRODUCTION

- 1.1** The board of directors (the “**Board**”) of SingHaiyi Group Ltd. (the “**Company**”) wishes to make this announcement in compliance with Chapter 9 of the listing manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Listing Manual**”) in relation to the development management agreement (the “**DMA**”) entered into between SingHaiyi Development Pte. Ltd. (“**SHD**”), a wholly-owned subsidiary of the Company, with Park Mall Pte. Ltd. (“**PMPL**”), pursuant to which SHD will provide professional project and development management services to PMPL in relation to the redevelopment of the property known as “Park Mall” (the “**Property**”).
- 1.2** The DMA has been entered into in connection with the 35:35:30 joint venture between Phoenix 99 Pte. Ltd. (“**PPL**”) which is a wholly-owned subsidiary of the Company, Haiyi Holdings Pte. Ltd. (“**HHPL**”) and Suntec (PM) Pte. Ltd. (“**SPL**”) for the purposes of acquiring the Property, through PMPL (the “**Joint Venture**”). Please refer to the Company’s announcements dated 30 June 2015 and 22 December 2015 in relation to the proposed joint venture to acquire and redevelop Park Mall and the completion of the acquisition of Park Mall, respectively.

2. INTERESTED PERSON TRANSACTION

2.1 Entity at Risk and Interested Persons

- (i) **Entity at Risk.** SHD is a wholly-owned subsidiary of the Company which is not listed on the SGX-ST and is considered an “entity at risk” of the Company for the purposes of Chapter 9 of the Listing Manual.
- (ii) **Interested Persons.** HHPL owns 35% effective shareholding interest in PMPL. Mr Gordon Tang and Mdm Chen Huaidan collectively own 100% shareholding interest in HHPL. HHPL is a controlling shareholder of the Company, while Mr Gordon Tang and Mdm Chen Huaidan are also controlling shareholders and Directors of the Company. PMPL is therefore an associate of each of HHPL, Mr Gordon Tang and Mdm Chen Huaidan. Accordingly, PMPL is considered an “interested person” for the purposes of Chapter 9 of the Listing Manual.

Accordingly, the entry into the DMA is an interested person transaction for the purposes of Chapter 9 of the Listing Manual.

2.2 Rationale and Benefit of the DMA to the Company

The entry into the DMA is in conjunction with the Joint Venture, in which each partner of the Joint Venture provides their expertise. The DMA allows the Company (through SHD) to provide its expertise to the development of the Property for a negotiated fee at a comparable market rate.

The fee to be received by the Company under the DMA is approximately S\$6.5 million, which represents approximately 1.5 per cent. of the SHG Group's¹ latest audited consolidated NTA of approximately S\$443.4 million of the SHG Group as at 31 March 2015 (the "**SHG Group NTA**").

The fee was determined after an arm's length negotiations with SPL who is a party independent to the Company and is the Company's partner in the Joint Venture. The fee will be satisfied out of the aggregate funding commitment provided by each partner of the Joint Venture pro-rata to its shareholding in the Joint Venture. Accordingly, HHPL's contribution towards the fee payable to SHD under the DMA is S\$2.3 million based on its 35 per cent. shareholding in the Joint Venture.

The audit committee of the Company is of the view that the entry into the DMA is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

2.3 Total Current and On-going Interested Person Transactions

The current total value of all interested person transactions (including the DMA and excluding transactions which are less than S\$100,000) between SHG Group and HHPL, Mr Gordon Tang and Mdm Chen Huaidan and their respective associates, which also represent the total interested person transactions of SHG Group, for the current financial year commencing on 1 April 2015 up to the date of this announcement ("**Relevant Period**") are as follows

		S\$'000
1	Transactions with American Pacific International Capital Inc (" APIC ") ⁽¹⁾	298 ⁽²⁾
2	Transaction with HHPL	134,400 ⁽³⁾
3	Transaction with Cove Wealth Limited (" CWL ") ⁽⁴⁾	45,521 ⁽⁵⁾
4	Transaction with PMPL for the DMA	6,500
	Total	186,719

¹ In this Announcement, the term "**SHG Group**" means the Company, its subsidiaries and associated companies.

Notes:

- (1) APIC is an entity controlled by Mr Gordon Tang and Mdm Chen Huaidan.
- (2) This amount represents the consultancy fees to APIC. APIC provided consultancy services to the Company's subsidiaries.
- (3) This amount represents PPL's committed equity participation in respect of its 35% equity interest in the Joint Venture. This transaction falls under Rule 916(2) of the Listing Manual. Please refer to the Company's announcement dated 30 June 2015 for further details.
- (4) CWL is a special purpose vehicle 100 per cent. owned by Mr Gordon Tang and Mdm Chen Huaidan.
- (5) This transaction falls under Rule 916(2) of the Listing Manual. Please refer to the Company's announcement dated 24 June 2015 for further details.

Excluding the transactions falling under Rule 916(2) of the Listing Manual (as listed above) which exempt the Company from the requirement of seeking shareholders' approval, the aggregate value of the transactions (including the DMA) conducted with the same interested person, i.e. HHPL, Mr Gordon Tang and Mdm Chen Huaidan and their respective associates, for the Relevant Period is S\$6.8 million, representing approximately 1.6 per cent. of the SHG Group NTA. Accordingly, the Company is not required to seek shareholders' approval pursuant to Rule 906(1)(b) of the Listing Manual for the entry into the DMA.

BY ORDER OF THE BOARD

Chen Huaidan @ Celine Tang
Group Managing Director

22 December 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 (the "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.