



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

JOINT OFFER FOR ENBLOC ACQUISITION OF PEACE CENTRE / PEACE MANSION

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 Sing-Haiyi Crystal Pte. Ltd. (**"SHCPL"**), CEL Development Pte. Ltd. (**"CEL"**) and Ultra Infinity Pte. Ltd. (**"UIPL"**) (**"Joint Offerors"**), have successfully offered for the enbloc acquisition (the **"Acquisition"**) of the development known as Peace Centre / Peace Mansion (the **"Property"**) at an offer price of S\$650.0 million (the **"Offer Price"**) on 2 December 2021 by way of private treaty. The offer was accepted on 3 December 2021.

Sing-Haiyi Crystal Pte. Ltd. is a 50-50 joint venture between SingHaiyi Realty Pte. Ltd., a wholly-owned subsidiary of the Company, and Haiyi Properties Pte. Ltd., an entity controlled by Mr. Gordon Tang and Mrs. Celine Tang, who are the controlling shareholders of the Company.

CEL is a wholly-owned subsidiary of Chip Eng Seng Corporation Ltd (**"CES"**), an entity in which Mr. Gordon Tang and Mrs. Celine Tang are the joint controlling shareholders (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited). Mrs. Celine Tang is also the non-independent and non-executive director, and non-executive chairman of CES. CES (and together with its subsidiaries, the **"CES Group"**) is an established homegrown construction and property development group in Singapore. The core business segments of the CES Group are property development, construction, hospitality, property investment and education. CEL is the holding company for CES' property development business. Through CEL, the CES Group has over the years assembled a diversified portfolio mix that encompasses residential, commercial and industrial properties. CES is listed on the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**).

Each of KSH Premier Investment Pte. Ltd. (**"KSHPI"**), SLB Development Ltd. (**"SLB"**) and Ho Lee Group Pte. Ltd. (**"Ho Lee"**) holds one-third shareholding interest in UIPL.

KSHPI is a wholly-owned subsidiary indirectly held by KSH Holdings Limited (**"KSH"**). KSH is listed on the Main Board of the SGX-ST. Together with its group of companies, KSH is a well-established construction, property development and property investment group.

SLB, listed on the Catalist Board of the SGX-ST, is a diversified property developer with experience and track record across different asset classes.

Ho Lee is a construction, property development, and equipment and machinery supply group. Established in 1996, the Ho Lee group of companies engages in the construction of infrastructure and provides public housing construction and estate upgrading services.

2. DESCRIPTION OF THE PROPERTY

Presently, the Property is a mixed development comprising 319 strata units.

The Property is a large District 9 commercial site allowed for mixed-use development. It is located in the established Mount Sophia residential enclave, at a prominent corner with high visibility of 100 metres frontage onto Sophia Road and 70 metres onto Selegie Road.

Furthermore, the Property is situated within the Bras Basah-Bugis district, which is Singapore's arts, civic, cultural, heritage and design and education precinct. The Bras Basah-Bugis district is also close to the Ophir-Rochor Corridor – one of the growth areas identified in the Urban Redevelopment Authority's ("**URA**") 2019 Master Plan. This corridor will be rejuvenated into a mixed-use cluster, with offices, hotels and residences.

The Property enjoys proximity to six MRT stations and connected to four MRT lines, namely the East-West Line, North-East Line, Downtown Line and Circle Line, all within a 600-metre radius. The Property is also easily accessible to other parts of the island via major roads and expressways such as the Central Expressway (CTE) and East Coast Parkway (ECP), with Raffles Place and Marina Bay being less than 10 minutes' drive away and the Orchard Road shopping belt within walking distance.

Primary schools such as St. Margaret's Primary School, St. Joseph's Institution Junior and Anglo-Chinese School (Junior) are within a two-kilometre radius of the Property. There is also a high concentration of higher education institutions, such as Singapore Management University, School of the Arts, Nanyang Academy of Fine Arts, Kaplan City Campus and LASALLE College of the Arts located in close proximity to the Property.

The Property currently has a 99-year tenure starting from 2 June 1970. The Joint Offerors will seek in-principle approval from the Singapore Land Authority to issue a fresh 99 years lease (the "**SLA In-Principle Top-Up Consent**").

The Property has a land area of 7,118 square metres and is currently zoned "commercial". It is the intention of the Joint Offerors to seek approval from the URA to redevelop the Property into a mixed-use commercial and residential development within the following planning parameters:

- (i) the commercial component will be 60% of the total gross floor area ("**GFA**") and the residential component will be 40% of the GFA;
 - (ii) gross plot ratio of not less than 7.89 (GFA of at least 56,167.15 square metres);
 - (iii) building height control of not less than part 55 metres and part 67 metres Singapore Height Datum (SHD);
 - (iv) no general restriction on or prohibition against strata subdivision of each floor of the commercial component of the proposed new development into multiple strata lots;
 - (v) the Land Transport Authority ("**LTA**") and the URA are open to consider minor connecting structures (for example, link bridges) over the service road subject to further evaluation during the formal application stage; and
 - (vi) LTA and URA are open to consider an underground connection under the service road,
- (collectively, the "**Planning Criteria**")

3. RATIONALE FOR THE JOINT OFFER

The Company believes that the joint offer is beneficial as it allows the Company:

- (i) to better manage its financial and execution risks by partnering the Joint Offerors to acquire and develop the Property;
- (ii) to tap on one another expertise and experience; and
- (iii) to expand its development portfolio in Singapore.

4. CONDITIONS PRECEDENT

The completion of the Acquisition is subject to satisfaction of conditions precedents, which include, amongst others, the following:

- (i) a sale order approving the collective sale of the Property;
- (ii) pursuant to the state lease, approval from the lessor of the Property (being the President of the Republic of Singapore) for the sale of the Property;
- (iii) outline planning permission meeting the Planning Criteria; and
- (iv) the SLA In-Principle Top-up Consent.

5. PROPOSED JOINT VENTURE

The Joint Offerors will form a joint venture (the “**Joint Venture**”) and enter into a joint venture agreement (the “**JV Agreement**”) to set out the terms relating to their joint acquisition and redevelopment of the Property (the “**Project**”).

A binding Memorandum of Understanding (“**MOU**”) has been entered into by the Joint Offerors, which provides, amongst others, that:

- (i) the participation interest of the Joint Offerors in the Acquisition (and accordingly, their shareholding interests in the Joint Venture) shall be as follows (the “**Participation Proportions**”):

CEL	40%
SHCPL	30%
UIPL	30%
- (ii) the Joint Offerors shall pay for the purchase price of the Property as well as any costs, expenses and taxes in relation to the Acquisition in their respective Participation Proportions; and
- (iii) each of the Joint Offerors shall contribute equity and other financial support (including additional equity, shareholders’ loans and/or guarantees) to the Joint Venture in their respective Participation Proportions.

6. INTERESTED PERSON TRANSACTION

6.1 Interested Person

CEL is an entity jointly controlled by Mr. Gordon Tang and Mrs. Celine Tang (the “**Controlling Shareholders**”). As of this date of announcement, the Controlling Shareholders jointly hold in aggregate approximately 82% of the shareholding interest in the Company. Mrs. Celine Tang is also the Group Managing Director of the Company and hence both Mr. Gordon Tang and Mrs. Celine Tang are each considered an “interested person” for the purpose of Chapter 9 of the Listing Manual.

Accordingly, the investment from SHCPL and CEL into the Project is an interested person transaction.

6.2 Rule 916(2) of the Listing Manual

Having considered the terms of the MOU, the Audit Committee of the Company is of the opinion that:

- (i) the risks and rewards relating to the Project are in proportion to the eventual equity of each Joint Offerors in the Joint Venture; and
- (ii) the terms of the MOU are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Accordingly, as the risks and rewards of the terms of the MOU are in line with the Participation Proportions of each Joint Offeror and the interested persons do not have an interest in the Project prior to the signing of the MOU, the transaction falls within the scope of Rule 916(2) of the Listing Manual and the approval from shareholder is not required.

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

6.3 Value of Interested Person Transaction

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\$160,985,000 comprising the following:

- (i) approximately S\$159,156,000 falls within the scope of Rule 916(2) and Rule 916(3) of the Listing Manual. Such transactions include our Participation Proportions of the offer fee of S\$1,000,000 and in connection with the Maxwell Project as disclosed in the Company's announcements released on 7 May 2021, 19 May 2021, 24 August 2021 and 9 November 2021; and
- (ii) the remaining value of approximately S\$1,829,000 is less than 5% of the Group's latest audited net tangible assets.

7. FURTHER INFORMATION

7.1 Financial Effects. The investment in the Joint Venture is not expected to have a material impact on the consolidated net tangible assets per share and the consolidated earnings per share of the Group for the financial year ending 31 March 2022.

7.2 Interest 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 is deemed to have any interest, direct or indirect, in the Project.

BY ORDER OF THE BOARD

Celine Tang
Group Managing Director

3 December 2021