



KSH Holdings Limited

(Company Registration Number: 200603337G)
(Incorporated in the Republic of Singapore on 9 March 2006)

ENBLOC ACQUISITION OF PROPERTY BY AN ASSOCIATED COMPANY

1. INTRODUCTION

The Board of Directors of KSH Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that a 33.3%-owned associated company held by the Group, Ultra Infinity Pte. Ltd. (“**UIPL**”), together with its joint offerors, CEL Development Pte. Ltd. (“**CEL**”), and Sing-Haiyi Crystal Pte. Ltd. (“**SHCPL**”), have successfully made an offer for the enbloc acquisition (the “**Acquisition**”) of the development known as Peace Centre / Peace Mansion (the “**Property**”).

On 2 December 2021, CEL, SHCPL and UIPL (collectively, the “**Joint Offerors**”) jointly submitted an offer to the collective sale committee of the Property to acquire the Property by way of private treaty at a price of S\$650 million. The offer was accepted on 3 December 2021.

The other shareholders of UIPL are SLB Development Ltd. and Ho Lee Group Pte Ltd holding 33.33% and 33.33% respectively in UIPL.

2. INFORMATION ON 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.

3. PROPOSED REDEVELOPMENT

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**”).

4. CONDITIONS PRECEDENT

The completion of the Acquisition is subject to satisfaction of conditions precedent including, amongst others, the following orders and approvals being obtained:

- (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.

The Company will make a further announcement when the Acquisition is completed.

5. INFORMATION ON THE OTHER JOINT OFFERORS

CEL

CEL is a wholly-owned subsidiary of Chip Eng Seng Corporation Ltd (“**CES**”), a public listed company on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

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.

SHCPL and its shareholders

Each of SingHaiyi Group Ltd (“**SingHaiyi**”), a public listed company on the Main Board of SGX-ST, and Haiyi Holdings Pte. Ltd. (“**Haiyi Holdings**”), through their respective intermediate holding companies, holds 50.0% of the issued and paid-up share capital of SHCPL.

SingHaiyi and its subsidiaries provide property development, investment and management services. As at the date of this announcement, Haiyi Holdings is the controlling shareholder (as defined in the Listing Manual of the SGX-ST (the “**Listing Manual**”)) of SingHaiyi. Mr. Gordon Tang and Mrs. Celine Tang (together, “**GCT**”) collectively hold 100% of the issued and paid-up share capital of Haiyi Holdings.

GCT are also the controlling shareholders of CEL.

6. RATIONALE FOR THE JOINT OFFER

The enbloc sale of the Property presents a strategic opportunity for the Group to acquire a prominent District 9 site for redevelopment. However, the Group is also mindful that the ongoing COVID-19 pandemic may present prolonged challenges to property developers in Singapore such as delays in construction works due to a shortage of workers and disruptions in the delivery of building supplies, higher costs as a result of such delays and slower sales in the event of an economic downturn. It is thus prudent for the Group to manage its financial and execution risks for its property development projects by collaborating with suitable partners whenever possible.

In this case, the Group is partnering parties with whom it has forged good working relationships through past and ongoing development projects.

The Joint Offerors collectively have a good mix of experience in property development and/or construction works in Singapore, which is relevant to the redevelopment of the Property. The Joint Offerors will thus be able to tap on each other's expertise and experience.

7. PROPOSED JOINT VENTURE

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

Meanwhile, the Joint Offerors have entered into a binding Memorandum of Understanding ("**MOU**") 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) it shall be a requirement under the JV Agreement(s) that 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.

8. OFFER FEE FOR PROPERTY

As at the date of this announcement, the Joint Offerors have, in connection with the Acquisition, paid an offer fee of S\$1 million (the "**Offer Fee**") in their respective Participation Proportions. The Offer Fee will form part of the purchase price for the Property.

9. FINANCIAL IMPACT

The Group's proportionate contribution of S\$100,000 to the Offer Fee will be funded from internal cash sources.

The Group will also fund its contributions into the Joint Venture from internal cash sources and external borrowings.

The investment in the Joint Venture is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year ending 31 March 2022.

10. OTHERS

Save as disclosed in this announcement, none of the Directors and, to the best knowledge of the Directors, none of the controlling shareholders of the Company has any direct or indirect interest in the Project, other than through their respective shareholdings and/or directorships, as the case may be, in the Company.

BY ORDER OF THE BOARD

CHOO CHEE ONN
Executive Chairman and Managing Director
3 December 2021