



KSH Holdings Limited

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

ENBLOC ACQUISITION OF PARK VIEW MANSIONS THROUGH JOINT TENDER

1. INTRODUCTION

The Board of Directors (the “**Board**”) of KSH Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Group’s indirect 66.7%-owned associated company, TK 189 Development Pte. Ltd. (“**TK189**”), together with its joint tenderers, CEL Development Pte. Ltd. (“**CEL**”) and Sing-Haiyi Pearl Pte. Ltd. (“**SHPPL**”), have successfully tendered for the enbloc acquisition (the “**Acquisition**”) of the development known as Park View Mansions (the “**Property**”).

On 27 July 2022, CEL, SHPPL and TK189 (collectively, the “**Joint Tenderers**”) jointly submitted a tender to the collective sale committee of the Property (as varied by the Supplemental Letter dated 28 July 2022 enclosing revised the INVITATION TO TENDER (AS AMENDED)) to acquire the Property at a tender price of S\$260 million. The tender was awarded to the Joint Tenderers on 28 July 2022.

The Company’s wholly-owned subsidiary, Kim Seng Heng Realty Pte. Ltd., holds 66.67% of issued and paid-up share capital of TK189 while the other shareholder of TK189, Ho Lee Group Pte Ltd (“**Ho Lee**”), holds the remaining 33.3%.

2. INFORMATION ON THE PROPERTY

Presently, Park View Mansions consists of four 10-storeys residential blocks with a total of 160 apartment units (the “**Units**”) and has a tenure of 99 years leasehold from 1 October 1976.

The Property is located at Yuan Ching Road, adjacent to the Jurong Lake Gardens and within the Jurong Lake District. As mentioned in the Urban Redevelopment Authority of Singapore’s circular (Circular No: URA/PB/2019/18-CUDG) published on 27 November 2019, the Jurong Lake District is set to become the largest business district outside the Central Business District. In addition, Singapore Tourism Board has announced in March 2022 of a proposed integrated tourism development at a site next to Jurong Lake to be completed from 2028.

Located within walking distance to Lakeside and Chinese Garden MRT stations along the East-West Line, the Property is also connected to the Jurong and one-north regional hubs, which are within 10 to 15 minutes' drive away via major highways such as Ayer Rajah Expressway and Pan Island Expressway.

The Property also lies within proximity to local and international education institutions such as Rulang Primary School and Canadian International School (Lakeside Campus).

3. PROPOSED REDEVELOPMENT

The Property has a land area of 17,834.8 square metres with a permissible plot ratio of 2.1. The maximum permissible gross floor area based on the permissible plot ratio is 37,453.08 square metres.

It is the intention of the Joint Tenderers to redevelop the Property into a residential development with up to 440 residential units.

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) either the written consent of 100% of the subsidiary proprietors of the Units to the collective sale or a statutory sale order approving the collective sale of all the Units;
- (ii) written approval from the President of the Republic of Singapore ("**Head Lessor**") and the Jurong Town Corporation ("**Intermediate Lessor**") for the sale of the Property, or written confirmation from the Head Lessor and the Intermediate Lessor that there is no requirement for approval for the sale of the Property;
- (iii) written approval to the Joint Tenderers' application for Pre-Application Feasibility Study of the Property, which approval shall include the approved maximum allowable number of dwelling units for proposed residential development of not less than 440 dwelling units;

- (iv) written approval for the outline planning permission (“**OPP**”) for the proposed redevelopment of the Property into a residential development with approved maximum allowable number of dwelling units of not less than 440 units and a gross plot ratio of not less than 2.1 and gross floor area of not less than 37,453.08 square metres and building height control of not less than 14 storey(s) (together the “**Planning Criteria**”); and
- (v) approval from the Jurong Town Corporation and such other relevant authorities to issue a fresh 99 years lease for the Property with no conditions in the said approval or fresh 99 years lease which shall prevent or restrict the Purchaser from redeveloping the Property in accordance with planning approval obtained or to be obtained, and to lift the title restrictions (if any) in the Lease IA/268905E so as to permit redevelopment of the Property in accordance with the OPP meeting the Planning Criteria.

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

5. INFORMATION ON THE OTHER JOINT TENDERERS

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 undertaken a diversified mix of development projects comprising residential, commercial, industrial and mixed-use properties.

SHPPL and its shareholders

Each of SingHaiyi Group Pte. Ltd. (“SingHaiyi”) and Haiyi Holdings Pte. Ltd. (“Haiyi Holdings”), holds 50.0% of the issued and paid-up share capital of SHPPL.

SingHaiyi and its subsidiaries focused on property development, investment and management services.

Mr Gordon Tang and Mrs Celine Tang (together, “**GCT**”) are the ultimate shareholders of SingHaiyi and Haiyi Holdings.

GCT are also the controlling shareholders of CES.

6. RATIONALE FOR THE JOINT TENDER

The Group is mindful that current macroeconomic factors such as rising interest and inflation rates, the ongoing COVID-19 pandemic as well as geopolitical tensions ensuing from the ongoing Russia-Ukraine conflict may present prolonged challenges to property developers in Singapore. Such challenges include 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 familiar parties with whom it has forged good working relationships through past and ongoing development projects. The Group, CEL, CES, SingHaiyi, Haiyi Holdings and Ho Lee are also partners in the successful joint offer for the enbloc acquisition of the development in Singapore known as Peace Centre / Peace Mansion.

The Joint Tenderers 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 Tenderers will thus be able to tap on each other’s expertise and experience.

7. PROPOSED JOINT VENTURE

The Joint Tenderers 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**”).

Meanwhile, the Joint Tenderers have entered into a binding Memorandum of Understanding (“**MOU**”) which provides, amongst others, that:

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

| | |
|-------|-----|
| CEL | 40% |
| SHPPL | 30% |
| TK189 | 30% |

- ii) the Joint Tenderers 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 that each of the Joint Tenderers 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. TENDER FEE FOR PROPERTY

As at the date of this announcement, the Joint Tenderers have, in connection with the tender for the Property, paid a tender fee of S\$100,000 (the “**Tender Fee**”) in their respective Participation Proportions. The Tender Deposit will form part of the purchase price for the Property.

9. FINANCIAL IMPACT

The Group’s proportionate contribution of S\$20,000, being 66.7% of TK189’s proportionate contribution of 30% to the payment of the Tender Fee was funded from internal cash sources.

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

The Company's participation in the Joint Venture is not expected to have a material impact on the net tangible assets per share or earnings per share of the Company for the current financial year ending 31 March 2023.

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

28 July 2022