



KSH Holdings Limited

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

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- (1) **PARTICIPATION IN A CONSORTIUM**
 - (2) **ACQUISITION OF PROPERTY THROUGH TENDER**
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The Board of Directors (the “**Board**”) of KSH Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) is pleased to announce the following:

- (1) Kim Seng Heng Realty Pte Ltd (“**KSHR**”), a wholly-owned subsidiary of the Company has on 19 September 2011 participated in a consortium with Heeton Homes Pte. Ltd. (“**HH**”); TEE Realty Pte. Ltd. (“**TR**”) and Zap Piling Pte. Ltd. (“**ZP**”).
- (2) KSHR, HH, TR and ZP shall own 35%, 35%, 20% and 10% of the entire issued and paid-up share capital of Unique Consortium Pte. Ltd. (the “**Consortium JV Co**”) respectively. The Consortium JV Co was incorporated on 19 September 2011 and its principal business activities include real estate and investment holding activities. The Consortium JV Co currently has an issued and paid-up share capital of S\$2, comprising 2 ordinary shares held by Heeton Holdings Limited. The existing directors of the Consortium JV Co are Toh Gap Seng, Toh Khai Cheng, Toh Giap Eng and Low Yee Khim.
- (3) The Consortium JV Co has entered into a Memorandum of Understanding (the “**MOU**”) with Oxley Holdings Limited (“**Oxley Holdings**”) in acquiring 35% equity interest in Oxley Viva Pte. Ltd., (“**Oxley Viva**”) a Singapore incorporated company currently wholly owned by Oxley Holdings. With the completion of its acquisition, the effective interest of KSHR in Oxley Viva would be 12.25%.
- (4) (i) Acquisition of Property

Pursuant to the MOU, Oxley Viva had tendered for the collective purchase (the “**Acquisition**”) of all the units in the development known as Hong Leong Garden Shopping Centre (the “**Property**”), at the purchase price of S\$171.1 million (the “**Purchase Price**”), and been duly accepted via a letter of award by the vendors of the Property (the “**Vendors**”) on 19 September 2011 (the “**Letter of Award**”).

The Property, located at West Coast Way in Singapore, has a leasehold tenure of 956 years commencing 27 May 1928 and currently comprises 72 residential units and 66 commercial units. The site area is 150,816 square feet and is zoned for “Residential with Commercial at 1st Storey” with a gross plot ratio of 1.6 and an allowable height of up to 12 storeys. Oxley Viva intends to redevelop the Property, subject to obtaining all the necessary approvals from the relevant authorities.

Where the aggregate share value and the aggregate strata area of the Vendors is less than 100% of the total share value and the total strata area in the Property, the Vendors shall make an application to the Strata Titles Board for an order for the sale of the Property (the "**Order for Sale**"). In the event that the Vendors are unable to obtain the Order for Sale, the agreement for the sale of the Property shall be null and void and of no further effect.

(ii) Purchase Price

Oxley Viva had submitted a tender to purchase the Property at the Purchase Price, after taking into account current market prices of properties in the surrounding area and the assessment of the Property's redevelopment potential.

A tender fee of S\$1.0 million had been paid on 19 September 2011. Oxley Viva shall pay the deposit of 10% of the Purchase Price, less the tender fee, in two installments, as follows:-

- (i) 5% of the Purchase Price, less the tender fee, within 7 days from the Letter of Award; and
- (ii) 5% of the Purchase Price, within 7 days from the Oxley Viva's receipt of a copy of the Order for Sale, or within 7 days of a written confirmation from the Vendors' solicitors that an Order for Sale is not required.

The balance of the Purchase Price will be paid on the date of completion of the Acquisition, which will be 3 months from the date of the Order of Sale or the date of notification by the Vendors' solicitors that the award of tender has been agreed to and/or ratified by the owners of all the units in the Property.

(iii) Key Terms of the Acquisition

In addition to the key terms of the Acquisition mentioned above, other key terms include the following:

- (i) the Acquisition is subject to Oxley Viva obtaining a qualifying certificate under the Residential Property Act not later than 2 months from the date of the Letter of Award; and

(ii) in the event that the Oxley Viva shall fail to obtain the requisite approval before the stipulated time or such approval is not granted by the relevant authorities, Oxley Viva shall procure another purchaser who must already be qualified to purchase the Property under the Residential Property Act.

(5) Funding of Acquisition

The Group will finance its share of the cost of the acquisition by internal funds and bank borrowings.

(6) Financial Effects

The Acquisition is not expected to have any material impact on the Group's net tangible assets or earnings per share for the financial year ending 31 March 2012.

(7) Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any direct or indirect interests in the above transaction save for their shareholdings in the Company.

BY ORDER OF THE BOARD

Choo Chee Onn
Executive Chairman and Managing Director
21 September 2011