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Name of Announcer *	SIM LIAN GROUP LIMITED
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Announcement submitted on behalf of	SIM LIAN GROUP LIMITED
Announcement is submitted with respect to *	SIM LIAN GROUP LIMITED
Announcement is submitted by *	ANG LAY HUA
Designation *	COMPANY SECRETARY
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Description

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SIM LIAN GROUP LIMITED

(Company Registration No. 200004760C)

PURCHASE OF PROPERTY IN SYDNEY, AUSTRALIA

1. INTRODUCTION

The Board of Directors of Sim Lian Group Limited (the “Company” and collectively with its subsidiaries, the “Group”) wishes to announce the proposed acquisition of a freehold property located at 50 Margaret Street, Sydney, Australia (the “Property”) for an aggregate consideration of AUD65.3 million (approximately SGD76.4 million⁽¹⁾, the “Purchase Price”) (the “Acquisition”).

2. INFORMATION ON THE PROPERTY

The Property is a freehold commercial development located in the financial precinct of the Sydney central business district (“**CBD**”) on the northern side of Margaret Street, between York and George Street. Nearby prominent landmark properties include the Australia Square and Grosvenor Place. The Property is within walking distance to the Wynyard Bus Interchange and Wynyard train station, one of the main and busiest train stations in Sydney, and adjoins the “Met Centre” at 60 Margaret Street. The Property comprises a basement level car park, ground and mezzanine floor offices and 13 levels of office units. It contains a net lettable area (“**NLA**”) in its current configuration of 8,664m². Located opposite Wynward Park, all floors in the Property enjoy pleasant unblocked view of the park, and also have the benefit of good natural lighting.

The open market valuation of the Property is AUD67 million based on a valuation dated 2 August 2013 conducted by an independent valuer, Cushman & Wakefield (the “**Valuer**”). The property has been valued on the basis of Market Value subject to existing leases.

3. RATIONALE

The Group remains committed to seeking strategic investment opportunities for its continued growth and is focused on building a stable base of recurring income to smoothen its fluctuating development profits.

The opportunity to acquire the freehold Property at the Purchase Price is considered attractive, based on its strategic location at the heart of the Sydney CBD. With the Barangaroo, a large waterfront precinct redevelopment project, committed to and underway, the corridor between the Property, the major transport interchange (Wynyard Station) and Martin Place will become increasingly important and strategic. The Property is the Group’s first commercial asset in Australia and may provide opportunity for the Group to explore any further re-development potential in the future.

⁽¹⁾ Based on estimated exchange rate of AUD1 = SGD1.17

The Company's Directors have carefully considered these factors and are of the view that it is in the best interests of the Group to acquire the Property.

4. USE OF TRUST TO ACQUIRE THE PROPERTY

The Acquisition will be under a newly constituted Australian trust, SLG Property Trust (the "Australia Trust") which is wholly-owned ultimately by the Group. The Property will be held by a newly constituted sub-trust, SLG 50 Margaret Trust (the "Sub-Trust"), wholly-owned by Australia Trust. The Sub-Trust is constituted in Sydney, Australia, and The Trust Company (Australia) Limited (the "Sub-Trustee") acts as the trustee of the Sub-Trust.

The Sub-Trustee, in its capacity as trustee of the Sub-Trust, has entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Margaret Street Investments Pty Ltd on 16 August 2013 for the acquisition of the Property.

5. PURCHASE CONSIDERATION

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account current market conditions and supported by the independent valuation of the Property by the Valuer.

6. FINANCIAL EFFECTS

The Purchase Price of the Property will be financed by internal funds and bank borrowings and is not expected to have any material impact on the consolidated earnings and net tangible assets per share of the Group for the current financial year ending 30 June 2014.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transactions, other than through their shareholdings in the Company (if any).

By Order of the Board
Sim Lian Group Limited

Ang Lay Hua
Company Secretary
17 August 2013