

SingXpress Land gets capital injection

TERMS OF THE DEAL

- Haiyi will subscribe for 80 preference shares at \$1.18 million each
- The shares have no maturity, will accrue annual dividends amounting to 3 per cent of the issue price
- Each preference share can be converted into 100 million SingXpress Land shares



Haiyi Holdings chief Tang Yigang (left) with SingXpress managing director Chan Heng Fai. Mr Chan says Haiyi's investment is significant not just for the amount, but also for the strategic input and network which Mr Tang brings. PHOTO: SINGXPRESS LAND

By DENNIS CHAN
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A CHINESE national entrepreneur who has been described as wealthy, savvy and successful is making a big play for property company SingXpress Land.

Mr Tang Yigang, a Singapore permanent resident, has agreed to subscribe for \$94.4 million worth of SingXpress Land preference shares through his Singapore investment vehicle Haiyi Holdings.

His entry "will serve as a major catalyst for the 'investment banking approach' to real estate development" for the Catalyst-listed company, SingXpress Land said in a statement yesterday.

Under the deal, Haiyi will subscribe for 80 preference shares at \$1.18 million each.

The shares have no maturity, but will accrue annual dividends amounting to 3 per cent of the issue price.

Each preference share can be converted into 100 million SingXpress Land shares.

If fully converted, Haiyi will end up with a 62.2 per cent stake in SingXpress Land's enlarged share capital.

The conversion price works out to 1.18 cents per ordinary share, which is a 15.7 per cent discount to the volume weighted average price transacted in the last trading session last Friday before the deal was announced.

The preference shares entitle the holder to attend shareholder meetings but not to vote.

Haiyi has agreed not to sell any of the preference shares or conversion shares within the first six months of the pref issue date. It has also undertaken that it

will make a general offer for all SingXpress Land shares in the event their level of conversion triggers a mandatory general offer obligation.

"Apart from strengthening our balance sheet, the subscription... will allow SingXpress Land to take a quantum leap in the execution of its investment banking approach to property," said SingXpress managing director Chan Heng Fai. "The investment is significant not just for the amount, but also for the strategic input and network which Mr Tang brings."

SingXpress Land described Mr Tang as a wealthy, savvy and successful investor who has been able to seize rapidly investment opportunities in complex markets.

He has investments and real estate holdings in China, the United States and Singapore.

The \$94.4 million issue is the largest corporate exercise undertaken by the company since it raised about \$29.8 million from an eight-for-one rights issue completed in November last year.

The proceeds will be used for investment in real estate projects and general working capital.

Last November, SingXpress Land launched Charlton Residences, a 21-unit cluster housing project, which sold out by March this year.

It is also active in the public housing market, including a Design, Build and Sell Scheme project in Pasir Ris and a joint venture executive condominium project in Tampines.

SingXpress Land shares yesterday ended unchanged at 1.4 cents on volume of 26.8 million shares traded yesterday.

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