AMCORP GLOBAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201230851R)

THE PROPOSED DIVERSIFICATION OF BUSINESS AND PROPOSED ACQUISITION OF AMCORP BAKER STREET PTE. LTD. AS AN INTERESTED PERSON TRANSACTION AND MAJOR TRANSACTION

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1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Amcorp Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 6 November 2023 (the "**6 November Announcement**") relating to the entry into a term sheet with Amcorp Prime Limited (the "**Vendor**") for the proposed acquisition of 100% of the equity stake in Amcorp Baker Street Pte. Ltd. (the "**Target**") and the Inter-Company Loan (defined hereafter) from the Vendor. The Target owns 50% of the equity stake in 126 Baker Street Limited (the "**PropCo**") which in turn owns a mixed-use development building located at 126-134 Baker Street, London W1U 6UE (the "**Property**"), (the "**Proposed Acquisition**").

Further to the 6 November Announcement, the Board wishes to announce that the Company has on 8 December 2023 entered into a conditional sale and purchase agreement (the "**SPA"**) with the Vendor in respect of the Proposed Acquisition.

The purchase consideration to acquire 100% of the issued share capital and the Inter-Company Loan (defined hereafter) of the Target is £2,590,000 (equivalent to S$4,305,098), which is based on the proforma consolidated net asset value of the Target and the Target's 50% shareholding in the PropCo (the "**Target Group**") as at 30 September 2023, subject to the Adjustment Amount (defined hereafter) (the "**Cash Consideration**"), in accordance with the terms and conditions of the SPA. The adjustment amount (the "**Adjustment Amount**") shall be the difference between the consolidated net tangible assets ("**NTA**") of the Target Group pursuant to the 30 September Proforma Target Group Balance Sheet (defined hereafter) and the consolidated NTA of the Target Group pursuant to the Completion Proforma Target Group Balance Sheet (defined hereafter), which shall be deducted from or added to (as the case may be) the Cash Consideration.

Pursuant to the Proposed Acquisition, the Company agrees to provide a corporate guarantee of £9,337,500 (equivalent to S$15,520,793) that may be required by CIMB Bank Berhad ("**CIMB**") (the "**Corporate Guarantee**"), which is proportionate to the Target's 50% shareholding in the PropCo, to secure the payment of the CIMB Loan (defined hereafter) (the "**Proposed Provision of Corporate Guarantee**").

The Proposed Acquisition is considered an "Interested Person Transaction" as defined under Chapter 9 of the Listing Manual Mainboard Rules (the "**Mainboard Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and taken together with the Proposed Provision of Corporate Guarantee, a "Major Transaction" of the Company as defined under Chapter 10 of the Mainboard Rules.

Further, in connection with the Proposed Acquisition, the Board wishes to announce that subject to the approval of the shareholders of the Company (the "**Shareholders**"), the Company intends to expand its business into a new geographic area, the United Kingdom. This would

constitute a diversification of the Group's regional property business, from its current presence in Singapore, Malaysia, and Australia into a new geographic area pursuant to Practice Note 10.1 of the Mainboard Rules (the "**Proposed Diversification**").

The Proposed Acquisition and Proposed Diversification will be subject to, amongst others, the approval of the Shareholders at an extraordinary general meeting (the "**EGM**") to be convened in due course.

Unless otherwise defined, all capitalised terms used in this announcement shall have the meaning ascribed to them in the 6 November Announcement. The conversion rate applied to all £ to S$ conversion in this announcement is based on the Monetary Authority of Singapore's exchange rate of £1: S$1.6622 as at 3 November 2023.

2. INFORMATION ON THE TARGET, THE PROPCO, AND THE VENDOR

2.1 Information on the Target

The Target is a private company limited by shares incorporated in Singapore on 27 March 2023. The Target owns 50% of the equity stake in the PropCo which in turn owns the Property. The Target is a special purpose vehicle principally engaged in investment holding.

As at the date of this announcement, the Target has an issued and paid-up share capital of £1 comprising 1 ordinary share (the "**Sale Share**"). The Target is 100% owned by the Vendor, who has extended an inter-company loan to the Target for purposes of acquiring the Property.

2.2 Information on the PropCo

The PropCo is a private limited company incorporated in the United Kingdom on 3 April 2023. It was incorporated pursuant to a 50:50 joint venture agreement between the Target and Thamesworth Baker Street Limited, an independent third party which is an investment holding company, with a view to acquiring and redeveloping part of the Property into residential units and subsequently to derive income from the sale and rental of the residential and retail units respectively.

The PropCo had on 3 May 2023 acquired the Property with absolute title under title number LB104656 for a consideration of £17,300,000 (equivalent to S$28,756,060) (excluding stamp duty and other purchasers' costs). The Property is carried in the books of the PropCo at £18,729,000 (equivalent to S$31,131,344) (including stamp duty and all purchasers' costs) as at 30 September 2023.

2.3 Information on the Vendor

The Vendor is a private company limited by shares incorporated in the British Virgin Islands on 9 January 2015 and is a wholly-owned subsidiary of Amcorp Properties Berhad, a fellow subsidiary of the Company's ultimate holding company. The Vendor's principal business is investment holding. Amcorp Properties Berhad and the major shareholder of the Company, Amcorp Supreme Pte. Ltd. ("**Major Shareholder**") are also fellow subsidiaries of the Company's ultimate holding company.

3. INFORMATION ON THE VALUE OF THE TARGET GROUP AND THE PROPERTY

3.1 Value of the Target Group

The Target was incorporated on 27 March 2023 and is the investment holding company that holds the PropCo, therefore the following figures are based on the Target Group's pro forma unaudited consolidated financial statements as at 30 September 2023, as the Target Group's audited consolidated financial statements are not available. A summary of the unaudited proforma consolidated balance sheet of the Target Group is annexed hereto as Annex 1 of this announcement.

Based on the unaudited proforma consolidated balance sheet of the Target Group as at 30 September 2023:

(a) the consolidated NTA value of the Target Group is £2,592,000 (equivalent to S$4,308,422);

(b) the consolidated book value of the Target Group is £2,592,000 (equivalent to S$4,308,422); and

(c) the consolidated net profits attributable to the Target Group is £252,000[1] (equivalent to S$418,874).

As at the date of this announcement, there is no available open market valuation of the Sale Share as it is not publicly traded.

Note:

(1) The profit attributable to the Target Group is arising from the interest income charged from loans granted to the PropCo, which will be repaid upon the drawdown of CIMB Loan (defined hereafter) as well as conversion to equity/share capital. Hence, this interest income is not expected to be recurring.

3.2 Information on the Property and Valuation Report

The Property is a freehold mixed-use building with a net internal area of 18,900 square feet comprising of retail accommodation over the basement and ground floors, with office accommodation arranged across the four upper floors.

It is located on a busy thoroughfare in Marylebone benefitting from high footfall due to its position at the northern gateway to Baker Street. The Property is situated just 100 metres from Baker Street Tube station and is also in close proximity to Tube stations at Marble Arch, Bond Street and Marylebone. The retail units benefit from 103 feet of prime retail frontage onto Baker Street and are currently fully let.

The Property benefits from planning permission (RN 15/07396/FULL) for the erection of a three-storey extension at the rear of the building at the second, third, and fourth-floor levels and use of the enlarged second to fourth floors as 11 residential units (the "**Redevelopment**"). Following Redevelopment, these will comprise a mix of units including 7 x one-bedroom flats and 4 x three-bedroom flats. Planning permission has been implemented.

The key details of the property are summarised below:

Freehold Title	:	LN104656
Postal Address	:	126-134 (even numbers) Baker Street, London
Registered freehold owner	:	126 Baker Street Limited
Tenure	:	Freehold
Category use of the Property	:	Commercial
Existing use of the Property	:	Retail, Education, and Office space
Amount of lettable space / lettable space available for letting	:	18,900 square feet comprising: 8,885 square feet of basement and ground retail; 2,492 square feet on 1st floor for education purpose; and 7,523 square feet on 2nd to 4th floor of office space.
Valuation of the Property (Based on the valuation report prepared by Colliers International Property Consultants Limited dated 1 December 2023	:	£17,500,000 (equivalent to S$29,088,500)

Valuation Report

Notwithstanding the Proposed Acquisition is in respect of the Sale Share and the Inter-Company Loan, as the Property is regarded as a material asset of the Target, the Company had appointed an independent valuer, Colliers International Property Consultants Limited ("**Colliers**" or the "**Independent Valuer**"), to conduct a valuation of the Property and report their findings, (the "**Valuation Report**").

Pursuant to the Valuation Report dated 1 December 2023 issued by the Independent Valuer, the valuation of the Property has been performed by the Independent Valuer in accordance with the 'RICS Valuation Global Standard (incorporating the IVSC International Valuation Standards)' prepared by the Royal Institution of Chartered Surveyors. The Independent Valuer had conducted the valuation on the Property by using the residual method for the 2nd to 4th floor units and the income capitalization method for the retail/office units on the basement, ground floor and first floor. Based on the valuation of the Independent Valuer, the market value of the Property as of 1 November 2023 is £17,500,000 (equivalent to S$29,088,500).

A copy of the Valuation Report will be set out in the circular to be despatched to Shareholders in due course.

4. MATERIAL TERMS OF THE PROPOSED ACQUISITION

A summary of the material terms and conditions of the Proposed Acquisition as set out in the SPA is as follows:

4.1 Acquisition of the Sale Share and the Inter-Company Loan, and the Proposed Provision of Corporate Guarantee

The Vendor agrees to sell and transfer to the Company (or its wholly owned subsidiary) (each a "**Party**" and collectively, the "**Parties**"), and the Company (or its wholly owned subsidiary) agrees to acquire from the Vendor, the Sale Share and the balance of the inter-company loan granted by the Vendor to the Target Group for the acquisition of the Property after the partial repayment by the PropCo (as set out at paragraph 4.6 below) (the "**Inter-Company Loan**"), free and clear of all encumbrances and together with all rights, title and interest in and to the Sale Share and the Inter-Company Loan attaching to them as at the completion of the sale of the Sale Share and the Inter-Company Loan ("**Completion**"), including all rights, dividends, entitlements, interests and distributions declared, made or paid on or after the Completion Date (defined hereafter) with respect to the Sale Share.

On the terms and subject to the conditions of the SPA, the Company agrees to provide a corporate guarantee of £9,337,500 that may be required by CIMB , which is proportionate to the Target's 50% shareholding in the PropCo, to secure the payment of the CIMB Loan (defined hereafter). Please see paragraph 4.6 of this announcement for more details.

The Proposed Provision of Corporate Guarantee, together with the Proposed Acquisition, shall be hereinafter referred to as the "**Proposed Transaction**".

4.2 Consideration and Payment Terms

The total consideration payable by the Company in respect of the Proposed Acquisition shall be £2,590,000, subject to the Adjustment Amount (the "**Cash Consideration**"). The adjustment amount (the "**Adjustment Amount**") shall be the difference between the consolidated net tangible assets of the Target Group pursuant to the unaudited proforma consolidated balance sheet of the Target Group as at 30 September 2023 (the "**30 September Proforma Target Group Balance Sheet**") and the consolidated net tangible assets of the Target Group pursuant to the unaudited proforma consolidated balance sheet of the Target Group as at the date falling three (3) business days after satisfaction or waiver (as the case may be) of all the Conditions Precedent (defined hereafter) in the SPA (inclusive of the date of satisfaction or waiver (as the case may be) of the last Condition Precedent (defined hereafter) and the date of such unaudited consolidated balance sheet) or such other date as mutually agreed between the Parties (the "**Completion Proforma Target Group Balance Sheet**")[1], which shall be deducted from or added to (as the case may be) the Cash Consideration.

The Cash Consideration shall be paid to the Vendor on the Completion Date.

The Cash Consideration shall be paid by way of (a) telegraphic transfer or wire in immediately available fund into the Vendor's bank account; or (b) such other method of payment as may be mutually agreed in writing between the Parties.

The Cash Consideration was arrived at after arm's length negotiations between the Company and the Vendor and on a willing-buyer and willing-seller basis, on the basis that the Property owned by the PropCo is acquired at £17,300,000 (excluding stamp duty and other purchaser's costs) which is the same consideration at which the PropCo had acquired the Property on 3 May 2023, as well as taking into account the Valuation Report dated 1 December 2023 issued by Colliers appointed by the Company for the purposes of valuing the Property and subject to the value of the net tangible assets of the Target Group pursuant to the Completion Target Group Proforma Balance Sheet.

(1) For avoidance of doubt, the Completion Proforma Target Group Balance Sheet shall be prepared in accordance with the Singapore Financial Reporting Standards (International) or International Financial Reporting Standards. In computing the consolidated net tangible assets of the Target Group, the Vendor shall exclude any debts outstanding for more than 90 days in the PropCo.

4.3 Conditions Precedent

Completion shall be conditional upon, *inter alia*, the following being satisfied (or waived) ("**Conditions Precedent**"):

1. all board and shareholders (if required) approvals of the Company, approvals, consents, licences, permits, waivers and exemptions required for the Proposed Transaction as an interested person transaction and major transaction pursuant to the Mainboard Rules and the proposed diversification of core business by the Company, being obtained;

2. all board and shareholders (if required) approvals of the Vendor and the Target, approvals, consents, licences, permits, waivers and exemptions required for the Proposed Transaction, being obtained;

3. in respect of the CIMB Loan (defined hereafter), the approval of CIMB for (a) the change in shareholders of the Target from the Vendor to the Company (or its wholly owned subsidiary); and (b) the Proposed Provision of Corporate Guarantee (if required), being obtained, and such approval not having been amended or revoked as at the Completion Date, and to the extent that such approval is subject to any conditions required to be fulfilled on or before the Completion Date, all such conditions having been duly so fulfilled;

4. the Term Loan 1 shall be drawn down by the PropCo and its proceeds shall be fully utilised to repay the loan provided by the Vendor to the Target Group for the acquisition of the Property;

5. all necessary consents, approvals, and waivers of any government bodies, stock exchange, and other regulatory authority having jurisdiction over the Proposed Transaction and all other transactions in connection therewith and incidental thereto, having been obtained, including without limitation (if required) the approval in-principle of the SGX-ST being obtained for the Proposed Transaction as an interested person transaction and major transaction pursuant to the Mainboard Rules and the proposed diversification of core business by the Company, and such consents, approvals and waivers not having been amended or revoked as at the Completion Date, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled on or before the Completion Date (defined hereafter), all such conditions having been duly so fulfilled;

6. each of the warranties given by the Parties ("**Warranties**") under the SPA being complied with, true, complete, accurate, and correct in all material respects and not misleading in any material respect as at the Completion Date, as if repeated as at the Completion Date and at all times between the date of the SPA and as at the Completion Date.

4.4 Delivery of Completion Proforma Target Group Balance Sheet

Following the satisfaction or waiver (as the case may be) of the Conditions Precedent, the Vendor shall deliver to the Company the Completion Proforma Target Group Balance Sheet together with all supporting notes and information, on the date falling three (3) business days from the satisfaction or waiver (as the case may be) of the last of the Conditions Precedent. For avoidance of doubt, the Completion Proforma Target Group Balance Sheet shall be prepared in accordance with the Singapore Financial Reporting Standards (International) or International Financial Reporting Standards. In computing the consolidated net tangible assets of the Target Group, the Vendor shall exclude any debts outstanding for more than 90 days in the PropCo.

4.5 Completion

Subject to the satisfaction or waiver (as the case may be) of the Conditions Precedent on or before six (6) months from the date of the SPA or such other date as otherwise agreed in writing between the Parties (the "**Long-Stop Date**"), Completion shall take place on the date falling not more than seven (7) business days after the delivery of the Completion Proforma Target Group Balance Sheet by the Vendor to the Company, or such other date as the Parties may agree in writing, but in any event, before the Long-Stop Date (the "**Completion Date**").

4.6 CIMB Loan

In connection with the acquisition of the Property by the PropCo on 3 May 2023 and the Redevelopment of the Property, the PropCo had secured financing totalling £18,675,000 from CIMB. This consists of:

(a) a term loan amounting to £13,725,000 in respect of the costs incurred for the acquisition of the Property including all incidental costs and stamp duty (the "**Term Loan 1**"); and

(b) a term loan amounting to £4,950,000 to partly finance the Redevelopment of the Property (the "**Term Loan 2**", together with the Term Loan 1, the "**CIMB Loan**").

The Term Loan 1 shall be drawn down by the PropCo prior to Completion and fully utilised to repay the loan provided by the Vendor through the Target to the PropCo for the acquisition of the Property on 3 May 2023.

Pursuant to the SPA, the Company agrees to provide a Corporate Guarantee that may be required by CIMB, which is proportionate to the Target's 50% shareholding in the PropCo, to secure the payment of the CIMB Loan.

5. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition is in the best interest of the Company as it presents an opportunity for the Group to expand its portfolio of properties and strategically diversify into a new geographic area. The rationale and key benefits of the Proposed Acquisition are set out below.

(a) Additional and recurrent revenue streams

The Proposed Acquisition and subsequent Redevelopment of the Property will provide the Group with (i) sale income derived from the sale of the residential and retail units, which are in a prime location and/or (ii) additional and recurrent revenue streams through the rental income derived from the Property's retail units.

(b) Opportunity to participate in London real estate market with a low cash outlay

The Proposed Acquisition, which will be the Group's maiden investment in the exclusive Prime Central London area, will be conducted via a joint venture with a local partner at the PropCo level with a low cash outlay of around £2,590,000 (equivalent to S$4,305,0981), which is manageable considering the Group's resources. The small cash outlay is appropriate considering the Group's current resources and after taking into account the CIMB Loan that has already been secured for the Property. The CIMB Loan is currently guaranteed by a related company, Amcorp Properties Berhad, at no cost to the Group to undertake the Proposed Acquisition and Redevelopment, unless otherwise required by CIMB for which the Proposed Provision of the Corporate Guarantee will be effected.

(c) Competitive purchase price of the Property

The Property was originally marketed in June 2022 at £22,150,000 (equivalent to S$36,817,730), at £1,172 (equivalent to S$1,948.10) per sq ft. It initially went under offer in August/September 2022 at £22,000,000 (equivalent to S$36,568,400). However, the deal did not complete. Subsequently, the Property was acquired by the PropCo at £17,300,000 (equivalent to S$28,756,060) (excluding acquisition cost) in May 2023. The Property has been valued by the Independent Valuer at £17,500,000 (equivalent to S$29,088,500) (excluding acquisition cost) on 1 November 2023.

(d) Property is located in prime location of London

The Property is sited on a busy thoroughfare in Marylebone benefiting from high footfall due to its location at the northern gateway to Baker Street. The Property is just 100 metres from Baker Street Tube station and is in close proximity to Tube stations at Marble Arch, Bond Street and Marylebone. The retail units benefit from 103 feet of prime retail frontage facing Baker Street and are currently fully let.

Properties with these favourable attributes are usually tightly held and this acquisition is a unique opportunity for the Group, attributable to the active lookout by the Major Shareholder.

(e) Readily available planning permission for the Redevelopment

The Property is acquired with planning permission to convert the 2nd to 4th floors from its existing office use to residential apartments for sale. With the planning permission, it is anticipated that the project will have a quicker turnaround time and the Group will be able to derive income from the sale of the residential apartments upon the completion of the conversion works, which is estimated to take two to three years.

Meanwhile, during the Redevelopment period, the basement and ground retail units are expected to generate recurring rental income. There is also opportunity for capital gain upon future sales of these retail units.

These combined factors have the potential to enhance shareholders' value in the Company and contribute positively to the growth, financial position, and long-term prospects of the Group.

Please also refer to paragraph 10.2 below "Rationale for the Proposed Diversification" for further details.

6. SOURCE OF FUNDS

The Company intends to finance the Cash Consideration through the Group's internal funds. The Group's cash and bank balance as at 30 September 2023 is S$19.9 million.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The *pro forma* financial effects of the Proposed Acquisition as set out below are purely for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Company and the Group following the Completion. Based on the Group's latest audited consolidated financial statements for the financial year ended 31 March 2023 ("**FY2023**"), the *pro forma* financial effects of the Proposed Acquisition are as follows:

7.1 Effects on the Company's net tangible assets ("NTA") per share attributable to equity holders of the Company

	Before the Proposed Acquisition	**After the Proposed Acquisition[1]**
NTA attributable to equity holders of the Company (S$'000)	78,905	78,905
Number of shares ('000)	446,876	446,876
NTA per share (cents)	17.66	**17.66**

Note:

(1) As the Company will be using its own cash to acquire the Sale Share and the Inter-Company Loan in the Target, there is no impact to the NTA per share attributable to equity holders of the Company.

7.2 Effects on earnings per share ("EPS")

	Before the Proposed Acquisition	**After the Proposed Acquisition[1]**
Net profit attributable to equity holders of the Company (S$'000)	654	654
Number of shares ('000)	446,876	446,876
EPS (cents)	0.15	**0.15**

Note:

(1) As the 1st to 4th floors of the Property will be redeveloped there will be no recurring rental income until the redeveloped units are subsequently sold. The net rental income from the retail units on the ground floor and basement after deducting allocated interest expense is not expected to be material.

7.3 Effects on net asset value ("NAV") per share attributable to equity holders of the Company

	Before the Proposed Acquisition	**After the Proposed Acquisition[1]**
NAV attributable to equity	78,905	78,905

holders of the Company (S$'000)		
Number of shares ('000)	446,876	446,876
NAV per share (cents)	17.66	**17.66**

Note:

(1) As the Company will be using its own cash to acquire the Sale Share and the Inter-Company Loan in the Target, there is no impact to the NAV per share attributable to equity holders of the Company.

8 RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE MAINBOARD RULES

Based on the Group's latest audited consolidated financial statements for FY2023, the relative figures in relation to the Proposed Acquisition computed on the applicable bases set out in Rule 1006 of the Mainboard Rules are as follows:

Rule	Bases of computation	Relative figures
Rule 1006(a)	Net asset value ("**NAV**")(1) of the assets to be disposed of compared with the Company's NAV.	Not applicable.(4)
Rule 1006(b)	Net profits(2) attributable to the Sale Share, compared with the Company's net profits.	Not applicable. (5)
Rule 1006(c)	Aggregate value of the consideration given (3), compared with the Company's market capitalisation(4).	38.2% (6)
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable.(7)
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable.(8)

Notes:

(1) Under Rule 1002(3)(a) of the Mainboard Rules, "net assets" means total assets less total liabilities.

(2) Under Rule 1002(3)(b) of the Mainboard Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(3) Under Rule 1002(5) of the Mainboard Rules, "market capitalisation" of the Company is determined by multiplying the 446,876,000 shares in issue by the weighted average price of S$0.116, being the weighted average price on 28 November 2023, the last market day on which the Company's shares were traded prior to the date of signing of the SPA.

(4) This basis is not applicable as it is not a disposal.

(5) This basis is not applicable as the Target is a newly incorporated company, having only been incorporated on 27 March 2023 to hold the property, and there are no audited accounts of the Target as at the date of this announcement.

(6) In accordance with paragraph 3.2(b)(iii) of Practice Note 10.1 of the Mainboard Rules, in computing the aggregate value of consideration given or received under Mainboard Rule 1006(c), any additional liabilities (whether actual or contingent) to be assumed by the purchaser or waived by the vendor under the terms of the transaction shall be included in computing the aggregate value of consideration. As CIMB may require the Company to provide the Corporate Guarantee as a result of a change in ownership of the Target from the Vendor to the Company (or its wholly owned subsidiary) following Completion, the Company has taken the Cash Consideration amount of £2,590,000 (equivalent to S$4,305,098) and the Corporate Guarantee amount of £9,337,500 (equivalent to S$15,520,793), being an aggregate amount of £11,927,500 (equivalent to S$19,825,891), as the aggregate value of the consideration given for the purpose of computing the applicable base under Rule 1006(c).

(7) This basis is not applicable as no equity securities will be issued by the issuer as consideration.

(8) This basis is not applicable as it only applies to a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

As the relative figure under Rule 1006(c) of the Mainboard Rules exceeds 20% and the Proposed Transaction does not fall within the relevant scenarios in paragraphs 4.3 and 4.4 of Practice Note 10.1 of the Mainboard Rules, Rule 1014 of the Mainboard Rules shall apply to the Proposed Acquisition, which constitutes a major transaction and is subject to approval of shareholders of the Company at the EGM to be held in due course.

9 INTERESTED PERSON TRANSACTION

As the Vendor is a direct subsidiary of Amcorp Properties Berhad, a fellow subsidiary of the Company's ultimate holding company and an "Interested Person" within the meaning of Chapter 9 of the Mainboard Rules, the Proposed Acquisition constitutes an "Interested Person Transaction". As the Proposed Acquisition will constitute an "Interested Person Transaction" under Chapter 9 of the Mainboard Rules, the Company will be appointing an independent financial adviser (the "**Independent Financial Adviser**") to opine whether the Proposed Acquisition is on normal commercial terms or prejudicial to the interests of the Company and its minority shareholders. The Company has also appointed an independent valuer, Colliers International Property Consultants Limited (the "**Independent Valuer**"), to provide a property valuation report for the purpose of the Proposed Acquisition (the "**Valuation Report**").

The Cash Consideration of £2,590,000 (equivalent to S$4,305,098) would constitute the "amount at risk" for the said interested person transaction. Based on the latest audited consolidated financial statements of the Group as at 31 March 2023, the Group's audited NTA is S$80,422,000, the Cash Consideration payable of £2,590,000 (equivalent to S$4,305,098) represents approximately 5.4% of the Group's NTA. Generally, under Rule 906(1) of the Mainboard Rules, if the consideration exceeds 5.0% of the NTA of the Group, the Company is required to seek shareholders' approval for the proposed interested person transaction.

The Major Shareholder and its associates will abstain from voting on the shareholders' resolution regarding the Proposed Acquisition as an Interested Person Transaction and Major Transaction at the EGM.

As at 30 September 2023, the total of all interested person transactions with the Vendor for the current financial year ending 31 March 2024 is S$119,000.

Save for the above amount and the Proposed Acquisition, the Company has not entered into any other transactions with the Vendor in the current financial year ending 31 March 2024.

Audit Committee's Statement

The Audit Committee of the Company comprises 4 directors, namely Mr. Kamil Ahmad Merican, Er. Dr. Lee Bee Wah, Mr. Tay Beng Chai and Mr. Soo Kim Wai. The Chairman of the Audit Committee is Mr. Kamil Ahmad Merican. Save for Mr. Soo Kim Wai, all the other members of the Audit Committee do not have any interests in the Proposed Acquisition and are accordingly deemed to be independent for the purposes of the Proposed Acquisition.

The Audit Committee will form its view as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders after considering the opinion of the Independent Financial Adviser to be obtained in due course. The Audit Committee's view on the Proposed Acquisition will be set out in the circular to be despatched to Shareholders in due course.

10 THE PROPOSED DIVERSIFICATION

10.1 Background

In connection with the Proposed Acquisition, the Company intends to expand its Core Business (defined hereafter) to include a new geographic area, the United Kingdom ("**UK**"), for property development and investment (the "**Proposed Diversification**").

The current core business of the Company (the "**Core Business**") comprises the business of residential, commercial and industrial property development projects, as well as investment in real estate for both income generation and capital appreciation. The Company currently has presence in Singapore, Malaysia, and Australia.

10.2 Rationale for the Proposed Diversification

The Company believes that the Proposed Diversification will contribute positively to the Company and Shareholders as it will provide the following benefits to the Group:

(a) Additional and recurrent revenue streams from the Proposed Diversification

The Group is venturing into the new geographical market with a view to enhancing shareholders' value over the long term and achieving long-term growth. While entry into the new geographical market constitutes the Proposed Diversification, property development and investment is not a new business for the Group with the Group having been in this business since it was listed. The Group has had property projects and investments in Malaysia, Australia, and New Zealand besides its Singapore development projects. The new geographical market in the UK is expected to provide additional business opportunities in a key global financial centre which has benefited from a rich history as well as broad and deep liquidity of investors. The new market will provide

additional revenue streams for the Group which may include rental income and sale income from the Proposed Acquisition and subsequent redevelopment of part of the Property into residential units.

(b) Positive long term prospects in the Proposed Diversification

The UK, in particular London, is a global financial hub that has extensive connectivity to many parts of the world. It has an established legal framework, good infrastructure, developed financial institutions, many prestigious universities and its currency, sterling pound, is widely used and internationally traded. Henceforth, it is a choice destination for many global investors, companies, high-net-worth individuals ("**HNWI**"), professionals and students that will drive long term demand for real estate in London.

The Independent Valuer takes the view that the strong fundamentals of the Prime Central London market will help ensure recovery in the longer term. Such fundamentals include the high concentration of HNWIs who see Prime Central London properties as a safe haven in terms of investment, and the status of London as a global financial hub.[1]

Furthermore, the supply of new homes in UK remains below housing needs across most of England, and supply in the South East and London is worst affected, according to Savills.[2] The planning permissions for Quarter 3, 2023 have seen an estimated 257,000 homes gaining planning consent, the lowest annualised figure since September 2015. A notable 40% of UK local authorities met their housing targets in the three years leading up to Quarter 3, 2023, while 22% fell short by more than half.[2]

The imbalance between supply and demand is expected to put further pressure on the capital's housing market and property prices. Based on the Independent Valuer's Valuation Report for 126-134 Baker Street, London, the prices for both prime central and outer London are expected to be broadly flat in 2024 and to further pick up slightly by 2025.[3]

With signs of recovery in the property market in London, the Group is expected to be able to ride on the positive prospects and capitalise on the shortage of housing supply particularly in London, UK.

(c) Experienced Directors and Management team

Mr. Soo Kim Wai, Mr. Shahman Azman and Ms. Shalina Azman, non-executive directors of the Company, have been actively engaged in property projects in London since 2009. They have over 10 years of relevant experience in the real estate industry covering a spectrum of property development activities which include acquisition, development, and enhancement of properties in mixed-used and residential developments in prime central London. The aforementioned directors will be extending their network and guidance on the strategic direction to the management team of the Company responsible for the execution of any business plans and operations related to the Proposed Diversification.

[1] Source: The Valuation Report for 126-134 Baker Street, London W1U 6UE by Colliers dated 1 December 2023
[2] Source: The English Housing Supply Update – November 2023 by Savills.
Please note that Savills has not consented to the inclusion of the information obtained from its publication and thereby is not liable for such information under the Listing Rules and the Securities and Futures Act. The Board is aware that Savills does not guarantee or assume responsibility that the information in its publication is accurate, current or reliable, or may be used for any purpose other than for general reference. The Company is unable to verify the accuracy of the contents of the relevant information and have included such information in its proper form and context in this Announcement.
[3] Source: The Valuation Report for 126-134 Baker Street, London W1U 6UE by Colliers dated 1 December 2023

The Company will therefore benefit from their wealth of experience and market knowledge as well as the resources they have established over the past decade in London.

(d) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. Additionally, the Board believes that the Proposed Diversification can offer new business opportunities and investment flexibilities to drive new revenue streams and improve the Group's prospects, so as to enhance Shareholders' value for the Company.

11 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr. Soo Kim Wai, Mr. Shahman Azman and Ms. Shalina Azman (together the "**Interested Directors**") are deemed non-independent by virtue of their directorship and/or interest in the penultimate holding company, Amcorp Group Berhad, and have therefore abstained from any deliberation of the Proposed Diversification and Proposed Acquisition.

The Major Shareholder of the Company is deemed interested by virtue of being a fellow subsidiary, along with the Vendor, of the Company's penultimate holding company, Amcorp Group Berhad.

12 DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition or the Proposed Diversification. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

13 INDEPENDENT FINANCIAL ADVISER

For the purposes of the Proposed Acquisition and pursuant to Chapter 9 and Chapter 10 of the Mainboard Rules, the Company has commissioned Stirling Coleman Capital Limited (the "**Independent Financial Adviser**") to opine on whether or not the transaction is on normal commercial terms and is not prejudicial to the interest of the issuer and its shareholders. The Independent Financial Adviser's statement will be set out in the circular to be despatched to Shareholders in due course.

14 FURTHER ANNOUNCEMENTS AND CIRCULAR TO SHAREHOLDERS

The Company will release such further announcements, in compliance with the requirements of the Mainboard Rules, as and when appropriate.

The Company will convene an EGM to seek the approval of the Shareholders for the Proposed Diversification and Proposed Acquisition and a circular setting out, inter alia, the details of the Proposed Diversification and terms of the Proposed Acquisition, the opinion and the recommendation of the Independent Financial Adviser, together with the notice of EGM, will be despatched to Shareholders in due course.

15 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Proposed Diversification, and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

16 DOCUMENTS FOR INSPECTION

A copy of the SPA and the Valuation Report is available for inspection during normal business hours at the Company's registered office at 11 Sam Leong Road, #03-06, TRIO, Singapore 207903 for a period of three (3) months from the date of this announcement.

17 CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that Proposed Acquisition or the Proposed Diversification will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition or the Proposed Diversification. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Er. Dr. Lee Bee Wah
Lead Independent Non-Executive Director
8 December 2023

ANNEX 1

PRO FORMA CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023

	Target	PropCo	Consolidation Elimination[1]	Target Group
	Unaudited £'000	Unaudited £'000	Unaudited £'000	Unaudited £'000
Assets				
Investment in joint ventures	2,788	-	(196)	**2,592**
Buildings	-	18,285	(18,285)	**-**
Other assets	-	620	(620)	**-**
Cash and cash equivalents		511	(511)	**-**
Total Assets	**2,788**	**19,415**	**(19,612)**	**2,592**
Equity and Liabilities				
Equity				
Paid up capital	0[2]	5,577	(5,577)	**0**
Inter-company loan[3]	2,788	-	-	**2,788**
Accumulated losses	-	(393)	196	**(196)**
Equity attributable to equity holders of the company	**2,788**	**5,184**	**(5,381)**	**2,592**
Liabilities				
CIMB Loan[4]	-	13,725	(13,725)	**-**
Other liabilities	-	506	(506)	**-**
Total Liabilities	**-**	**14,231**	**(14,231)**	**-**
Total Equity and Liabilities	**2,788**	**19,415**	**(19,612)**	**2.592**

Notes:

(1) Consolidation elimination in pursuant to Singapore Financial Reporting Standard (International) 11 – *Joint Arrangement treatment* for PropCo.

(2) Share capital of £1.00

(3) The Inter-Company Loans consist of the advances by the Vendor to the Target.

(4) Assuming that the Term Loan 1 amounting to £13.725 million has been drawn-down by the PropCo and used to repay the advances made by the Vendor to the Target Group for the purchase of the Property