

PROPOSED DISPOSAL OF PROPERTY BY SUBSIDIARY

1. INTRODUCTION

The board of directors (“**Board**”) of SUTL Enterprise Limited (the “**Company**”) wishes to announce that its subsidiary, Sarandra Malaysia Sdn. Bhd. (“**SMSB**” or the “**Vendor**”) has on 20 November 2023 entered into a sale and purchase agreement (the “**SPA**”), for the sale of the property located at HS(D) 522982 PTD 189406 Mukim Pulai District Johor Bahru, State of Johor (the “**Property**”), and for the sale of sheet piles erected or located on the Property (the “**Sheet Piles**”). Pursuant to the SPA, the Vendor shall sell the Property and Sheet Piles to Nadi Eltra Sdn. Bhd. (the “**Purchaser**”) (the sale, the “**Proposed Disposal**”).

2. INFORMATION ON THE PROPOSED DISPOSAL

2.1 Information on the Vendor and the Property

The Company’s wholly-owned subsidiary, ONE15 Marina Holdings Pte. Ltd. (“**ONE15 MHPL**”) (formerly known as SUTL Marina Holdings Pte. Ltd), had on 22 February 2016 entered into a joint venture agreement (the “**JVA**”) with UEM Land Berhad (“**UEML**”). Under the JVA, parties were to incorporate and operate a joint venture company in Malaysia, which was SMSB. The business of SMSB was intended to include developing the existing marina in Puteri Harbour, developing and operating a proprietary yacht club and operating a sports centre. The relative shareholding proportions of ONE15 MHPL and UEML in SMSB are 60% and 40% respectively. Pursuant to the JVA, SMSB had established the proprietary private yacht club known as ONE15 Marina Puteri Harbour Malaysia (the “**Puteri Harbour Club**”).

As set out in the Company’s announcement dated 24 February 2022, the membership scheme for the Puteri Harbour Club was proposed to be terminated. Following the announcement dated 24 February 2022, the membership scheme for the Puteri Harbour Club was terminated. The Property had been intended to be used for the Puteri Harbour Club. The Property is a freehold land that has a gross land area of approximately 4941.342 square meters.

2.2 Information on the Purchaser

The Purchaser is a private company incorporated in Malaysia and is an independent and unrelated third party.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1 Aggregate Value of Consideration

The consideration for the Property is MYR11,500,000 (equivalent to approximately Singapore Dollars Three Million and Three Hundred and Twenty-Three Thousand, SGD3,323,000) (the “**Consideration - Property**”). The aggregate consideration for the Sheet Piles is MYR400,000 (equivalent to approximately Singapore Dollars One Hundred and Sixteen Thousand, SGD 116,000) (the “**Consideration – Sheet Piles**”).

The Consideration - Property and the Consideration – Sheet Piles were mutually arrived at after arms' length negotiations between the Vendor and Purchaser on a willing-seller and willing-Purchaser basis after taking into consideration, *inter alia*, the last obtained valuation of the Property, and relevant enquiries and references by the Vendor in relation to the current market prices of freehold Property of similar size in the vicinity.

The Consideration for Property will be paid by the Purchaser to the Vendor in the following manner:

- (a) a deposit in the amount of MYR1,150,000 (equivalent to approximately Singapore Dollars Three Hundred and Thirty-Two Thousand, SGD 332,000), representing 10% of the Consideration – Property, shall be paid by the Purchaser upon the execution of the SPA. In relation to the deposit, the amount of MYR345,000 (equivalent to approximately Singapore Dollars One Hundred Thousand, SGD100,000) shall be retained by the Purchaser's solicitors as the retention sum in accordance with the SPA, and the amount of MYR805,000 (equivalent to approximately Singapore Dollars Two Hundred and Thirty Two Thousand , SGD232,000) shall be paid to the Vendor's solicitors as stakeholder and to be dealt with in accordance with the SPA;
- (b) the balance of MYR10,350,000 (equivalent to approximately Singapore Dollars Two Million Nine Hundred and Ninety One Thousand, SGD2,991,000), representing 90% of the Consideration – Property, shall be paid by the Purchaser to the Vendor's solicitors as stakeholder within the completion period of the Proposed Disposal, and the Vendor's solicitors shall be authorized to release the monies to the Vendor within seven (7) business days from the date of the presentation of the Memorandum of Transfer in Form 14 A prescribed under the National Land Code 1965 in favour of the Purchaser and the charge in favour of the Purchaser's financier, for registration at the relevant land registry.

The Consideration – Sheet Piles will be paid by the Purchaser simultaneously with the balance of MYR10,350,000 in accordance with the manner set out above.

3.2 CONDITIONS TO COMPLETION

The SPA shall be conditional upon certain conditions precedent being fulfilled. The conditions precedent include the Vendor obtaining the written consent of the master developer for the sale of the Property by the Vendor to the Purchaser together with the development rights contained in the development agreement which was entered into with the master developer, and the acknowledgement by the master developer confirming the receipt of certain agreements to be entered into by the Purchaser and the master developer which are duly executed and stamped.

The completion period is a period of up to six months from the date that the conditions precedent is satisfied or deemed satisfied, and the completion period may be extended pursuant to the provisions of the SPA. The date the Vendor receives full payment of the purchase price and any interest payable thereon (if any) from the Purchaser shall be deemed as the "**Completion Date**".

3.3 VALUE OF THE PROPERTY

Based on a valuation as at 27 October 2021 that was commissioned by SMSB (the "**Valuation Report**"), the last obtained market value of the Property was MYR 10,000,000 (equivalent to approximately SGD2,890,000). The Comparison Method of Valuation was adopted in arriving at the option of the market value of the property. This method entailed analysis of sales and listing of similar properties in the locality, and the value was arrived at by comparison after making adjustment for differences in location, size, neighborhood and other relevant factors. As at 30 June 2023, the book value of the Property was approximately SGD2,890,000. As such, the gain on disposal of the Property would be approximately SGD433,000.

4. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

As set out in the Company's announcement dated 24 February 2022, the membership scheme for the Puteri Harbour Club was proposed to be terminated. Following the announcement dated 24 February 2022, the membership scheme for the Puteri Harbour Club was terminated. As the Property had been intended to be used for the Puteri Harbour Club, SMSB took steps to sell the Property.

The Board is of the view that the Proposed Disposal is in the Company's best interests. The net proceeds from the Proposed Disposal will be placed in short-term deposits and/or used for the Company's working capital purposes, as the Board may in their absolute discretion, deem appropriate.

5. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual") and based on the latest announced unaudited consolidated financial statements of the Company for the half-year ended 30 June 2023 are set out below:

Rule 1006 of the Listing Manual	Bases	Relative Figures
(a)	Net asset value of assets to be disposed of compared to the group's net asset value*	4.7%
(b)	Net profits attributable to the assets to be disposed of, compared with the group's net profits	-0.1%
(c)	Aggregate value of the consideration, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	5.6%
(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
(e)	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	Not Applicable

Notes:

As the relative figures under Rule 1006(c) exceeds 5% but does not exceed 20%, the Proposed Disposal is a "discloseable transaction" for the purposes of Chapter 10 of the Listing Manual which does not require the approval of the shareholders of the Company at a general meeting.

*Net asset value attributable to the Company's shareholders excluding net assets attributes to non-controlling interest

6. ILLUSTRATIVE FINANCIAL EFFECTS

The *pro forma* financial effects of the Proposed Disposal as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or financial position of the Company and its subsidiaries immediately after completion of the Proposed Disposal. They are prepared based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2022 (“FY2022”), and assuming the completion of the Proposed Disposal as set out below.

6.1 Net Tangible Assets Per Share (‘NTA’)

Assuming the Proposed Disposal was completed on 31 December 2022, the *pro forma* financial effects of the Proposed Disposal on the net tangible assets per share of the Company would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net tangible assets (S\$'000)*	60,715	60,975
Number of issued shares ('000)	86,051	86,051
Net tangible assets per share (cents)	70.56	70.86

*Net asset value attributable to the Company’s shareholders excluding net assets attributes to non-controlling interest

6.2 Earnings Per Share (‘EPS’)

Assuming the Proposed Disposal was completed on 1 January 2022, the *pro forma* financial effects of the Proposed Disposal on the earnings per share of the Company would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net Gain after tax (S\$'000)	7,520	7,780
Weighted average number of issued shares ('000)	86,003	86,003
Gain per share (cents)	8.74	9.05

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors and controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal other than in their capacity as a director or shareholder of the Company.

8. DIRECTOR’S SERVICE CONTRACTS

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

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA and ancillary documents thereto, and the Valuation Report are available for inspection during normal business hours at the Company's registered office at #05-00 100J Pasir Panjang Road, SUTL House, Singapore 118525, for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

TAY TENG GUAN ARTHUR
Executive Director and Chief Executive Officer
20 November 2023