



**HOTEL  
GRAND CENTRAL LIMITED**

大中酒店有限公司

## **HOTEL GRAND CENTRAL LIMITED**

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### **PROPOSED SALE OF HOTEL GRAND CHANCELLOR SURFERS PARADISE, AUSTRALIA**

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#### **1. PROPOSED DISPOSAL**

The Directors of Hotel Grand Central Limited (“**HGC**”) wish to announce that HGC has reached agreement with a third party (the “**Purchaser**”) to sell the abovementioned property for the aggregate amount of A\$80,000,000.00 by the execution of the Land Contract for A\$77,410,547.74 and Business Contract for A\$2,589,452.26 respectively.

#### **2. INFORMATION ON HOTEL GRAND CHANCELLOR SURFERS PARADISE (“HGCSP”)**

HGCSP, a 408 room hotel, was purchased by HGC in 2010 for the purchase price of A\$47.00 million. HGC subsequently spent an additional A\$8.75 million including stamp duty and renovation works on the hotel.

#### **3. PRINCIPAL TERMS OF THE TRANSACTION**

The principal terms of the transaction are summarised below.

##### **3.1 Consideration**

The aggregate consideration payable by the Purchaser to HGC shall be A\$80.00 million (the “**Consideration**”). The Purchaser shall pay the aggregate deposit of A\$8.00 million within 3 days after the execution date of the Land and Business Contracts. (“**Contract Date**”)

The Consideration was arrived at after arm’s length negotiations and on a willing buyer willing seller basis, taking into account, inter alia, the current hotel market condition in Surfers Paradise, Australia.

##### **3.2 Conditions Precedent**

Completion is conditional only upon the Purchaser obtaining FIRB approval on or before 90 days from the Contract Date.

### 3.3 Completion

Completion date is the later of 28 June 2016 and 10 business days after the approval from the Foreign Investment Review Board (“FIRB”) of Australia (the “Completion”) or such other date as may be agreed upon between the parties.

## 4. RATIONALE OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS

The proposed sale transaction allows HGC to realise its investment in this hotel asset.

The net sale proceeds after payment of related transaction costs such as sales commission and professional fees and taxes shall be placed into interest bearing bank term deposits pending a decision by the Directors on future investment opportunities.

## 5. RELATIVE FIGURES PURSUANT TO RULE 1006

We set out below the relative figures for the Proposed Disposal, computed in accordance with Rule 1006 of the SGX-ST Listing Manual.

Pursuant to the Proposed Disposal, the Consideration of the transaction is S\$82,168,000.

Based on the audited consolidated financial results of HGC for the twelve months ended 31 December 2015, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006(a) to (d) of the SGX-ST Listing Manual are as follows:

Rule 1006 (a)	Net Asset of HGCSP (S\$'000)	Net Asset of HGC Group (S\$'000)	Relative Figures
	53,754	1,276,594	4.21%

Rule 1006 (b)	Net Profit of HGCSP (S\$'000)	Net Profit of HGC Group (S\$'000)	Relative Figures
	476	85,453	0.56%

Rule 1006 (c)	Total Consideration of transaction (S\$'000)	Market Capitalisation <sup>(1)</sup> at 20 May 2016 (S\$'000)	Relative Figures
	82,168	792,320	10.4%

Rule 1006 (d)	Not Applicable		
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<sup>(1)</sup> HGC's market capitalisation of approximately \$792.32 million is based on its total number of issued shares of 663,033,129 and the closing share price of S\$1.195 on 20 May 2015, being the market day immediately preceding the date of signing the SPA.

The Proposed Disposal is deemed to be a discloseable transaction under the Listing Manual rules.

## 6. FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Disposal presented below are for illustration purposes only and do not reflect the actual financial results of HGC and its subsidiaries after Completion.

The following pro forma financial effects have been prepared based on the audited consolidated statements of HGC for FY 2015 for illustrating the financial effect on the consolidated net assets per share and consolidated earnings per share of HGC. It assumes that the Proposed Disposal had been completed on 31 December 2015 and that there was no loss in earnings contribution by the hotel asset for FY 2015.

### Net Asset ("NA")

	NA	NA per Share
	(S\$'000)	("S\$")
Before the Proposed Disposal	1,276,594	1.93
After the Proposed Disposal	1,299,953	1.96

The NA per share is calculated based on the number of shares in issue of 663,033,129 as at 31 December 2015.

### Earnings per Share ("EPS")

	Net Profit	EPS
	(S\$'000)	("Cents")
Before the Proposed Disposal	85,453	13.35
After the Proposed Disposal	108,812	17.00

The EPS is calculated by dividing the net profit after tax attributable to shareholders by the weighted average number of shares in issue of 640,169,300 for FY2015.

## 7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or substantial shareholders has any interest, direct or indirect in the transaction.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA is available for inspection during normal business hours at the registered office of HGC at 22 Cavenagh Road Singapore 229617, for a period of 3 months from the date of this announcement.

By Order of the Board

Eliza Lim Bee Lian  
Company Secretary

24 May 2016