



PROPOSED DISPOSAL OF PROPERTY

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of the Company (the "**Company**" or the "**Vendor**" and together with its subsidiaries, the "**Group**") wishes to announce that on 12 July 2023, the Company has entered into a sale and purchase agreement ("**SPA**") for the disposal of its property at No. 20 Cecil Street #28-01, #28-02, #28-03, #28-04, #28-05, #28-06, #28-07, #28-08 and #28-09 PLUS Singapore 049705 (the "**Property**") on the terms and conditions of the SPA (the "**Proposed Disposal**").

2. INFORMATION RELATING TO PROPERTY

Located at Cecil Street in Raffles Place, the Property comprises 9 strata units of offices. The Property has a gross floor area of approximately 901 sqm.

3. SALIENT TERMS OF THE SPA

3.1 **Sale and Purchase of the Property**

Under the SPA, the Vendor has agreed to sell the Property, free from encumbrances, subject to, inter alia, the following special conditions and to the conditions of sale known as "The Law Society of Singapore's Conditions of Sale 2020" in so far as the same are applicable to a sale by private treaty and are not varied by or inconsistent with the special conditions therein.

The purchaser of the Property (the "**Purchaser**") is an unrelated party and does not have any shareholding interest, direct or indirect in the Company or the Group, nor is the Purchaser related to any of the Directors, substantial shareholders of the Company, or their respective associates. None of the Directors or substantial shareholders of the Company or their respective associates are related to the Purchaser.

3.2 **Consideration**

(a) Consideration

The consideration for the disposal of the Property is S\$38,800,000 ("**Consideration**"), which was arrived at on an arms-length and willing-buyer willing-seller basis, taking into account the latest available valuation of the Property as set out in the Valuation Report (described in paragraph 3.2(b) below).

The Purchaser shall pay to the Vendor a deposit of \$3,880,000 upon signing the SPA. The balance \$34,920,000 shall be paid by the Purchaser to the Vendor on the date on which the Proposed Disposal is completed.

(b) Valuation of the property

The Property was valued at S\$37,000,000 by an independent professional valuer, RHT Valuation Pte. Ltd., in its valuation report dated 7 July 2023 ("**Valuation Report**"). The Vendor had commissioned such valuation and the valuation was prepared using the comparable sales method, whereby a comparison is made with sales of similar properties in the vicinity and adjustments are made for differences in location, orientation, floor area, floor level, age, condition, tenure, design and layout, dates of transaction and the prevailing market conditions, etc., before arriving at the value of the subject property.

3.3 Completion

Completion of the Proposed Disposal shall take place at the expiration of two (2) months from the date of the SPA.

3.4 Other Terms

The SPA contains other customary provisions relating to the Proposed Disposal, including satisfactory replies to legal requisitions.

4. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

The Proposed Disposal provides a good opportunity for the Company to unlock its investment in the Property.

The net proceeds from the Proposed Disposal will be used by the Group to repay the existing financing taken against the Property and for working capital purposes.

5. CHAPTER 10 OF THE LISTING MANUAL

5.1 The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX**") are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. ¹	9
(b)	The net profits attributable to the assets disposed of, compared with the group's net profits. ²	Not applicable.
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares. ³	12

(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable.
(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.	Not applicable.

Notes:

1. The relative figure for Rule 1006(a) has been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 (the "**FY2022 Accounts**"), being the latest announced consolidated accounts of the Company as at the date of this Announcement.
2. The Property was used as the corporate office of the Company and was not income generating.
3. The Company's market capitalisation is approximately S\$335.3million, calculated based on the total number of shares (excluding treasury shares) of the Company, being approximately 1,961,077,711, multiplied by the weighted average price of approximately S\$0.171 per share on 11 July 2023, being the last market day preceding the date of this Announcement.

5.2 As the relative figure computed under Rule 1006(c) exceeds 5% but does not exceed 20%, the Proposed Disposal is classified as a "discloseable transaction" under Rule 1010 of the Listing Manual.

6. FINANCIAL INFORMATION OF THE PROPOSED DISPOSAL

Based on the FY2022 Accounts, being the latest audited consolidated accounts of the Company as at the date of this Announcement:

- (a) the book value of the Property is approximately S\$27.1million;
- (b) the excess of the proceeds over the book value on the Proposed Disposal is approximately S\$11.7million

7. ILLUSTRATIVE FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

For illustrative purposes only, the financial effects set out in paragraphs (i) and (ii) below have been prepared based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2022 ("**FY2022**") and on the following key assumptions:

- (a) the effect of the disposal on the net tangible asset ("**NTA**") per Share of the Group is based on the assumption that the disposal of the Property had been completed on 31 December 2022; and
- (b) the effect of the disposal on the earnings per Share ("**EPS**") of the Group is based on the assumption that the disposal had been completed on 1 January 2022.

(i) NTA per share

The pro forma financial effects on the consolidated NTA per share of the Company as at 31 December 2022, assuming the Proposed Disposal had been effected on 31 December 2022, are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$)	298,406,000	310,057,000
Number of issued shares of the Company (excluding treasury shares)	1,956,933,500	1,956,933,500
NTA per share (S\$)	0.15	0.16

(ii) EPS

The pro forma financial effects on the consolidated EPS of the Company as at 31 December 2022, assuming the Proposed Disposal had been effected on 1 January 2022, are as follows:

	Before the proposed disposal	After the proposed disposal
Net loss attributable to shareholders (S\$)	(18,637,000)	(6,986,000)
Weighted average number of issued shares of the Company (excluding treasury shares)	1,956,933,500	1,956,933,500
Loss per share (Singapore cents)	(0.95)	(0.36)

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, based on information available to the Board, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company.

9. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed to the Board of the Company as part of the Proposed Disposal, and no director's service contract is proposed to be entered into by the Company with any person in connection with the Proposed Disposal.

10. DOCUMENT FOR INSPECTION

A copy of the SPA and the Valuation Report will be made available for inspection during normal business hours at the registered office of the Company at 20 Cecil Street #28-01 PLUS Singapore 049705 for a period of three (3) months from the date of this Announcement.

By Order of the Board

Gilbert Ee Guan Hui
CEO / Executive Director

12 July 2023