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

ENTRY INTO TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF AMCORP BAKER STREET PTE. LTD.

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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**") wishes to announce that the Company has on 6 November 2023 entered into a term sheet (the "**Term Sheet**") with Amcorp Prime Limited (the "**Vendor**") in relation to the proposed acquisition of 100% of the equity stake in Amcorp Baker Street Pte. Ltd. (the "**Target**"). 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**").

The Proposed Acquisition shall be subject to, *inter alia*, the Company and the Vendor (the "**Parties**") entering into a definitive agreement on terms to be agreed (the "**Definitive Agreement**"). For the avoidance of doubt, the terms and conditions of the Proposed Acquisition are not limited to that set out in the Term Sheet and the agreed terms of the Proposed Acquisition in the Definitive Agreement (if and when entered into) may or may not differ from that set out in the Term Sheet.

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

2.1. Information on the Target and the PropCo

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 Target is 100% owned by the Vendor, who has extended inter-company loans to the Target for purposes of acquiring the Property.

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 ("**Redevelopment**") 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[1]) (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).

(1) Based on the Monetary Authority of Singapore's exchange rate of 1£: 1.6622S$ as at 3 November 2023, which conversion rate is applied to all £ to S$ conversion in this announcement.

2.2. 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 Limited ("**Major Shareholder**") are also fellow subsidiaries of the Company's ultimate holding company.

3. INFORMATION ON THE INVESTMENT AND THE PROPERTY

3.1. Information on the Investment

The purchase consideration to acquire 100% of the issued shares and any shareholder loans of the Target is approximately £2,590,000 (equivalent to S$4,305,098), which is based on the proforma consolidated net asset value of the Target and the PropCo as at 30 September 2023. The total purchase consideration will be subject to adjustments based on the consolidated net asset value of the Target and the PropCo upon the completion date. The purchase consideration assumes that the Property in PropCo is acquired at £17,300,000 (equivalent to S$28,756,060) (excluding stamp duty and other purchasers' costs) which is the same as when the PropCo completed the acquisition on 3 May 2023. 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).

The PropCo has also secured financing for the Property and the Redevelopment totalling £18,675,000 (equivalent to S$31,041,585) from CIMB Bank Berhad ("**CIMB**"). This consists of:

(a) a Term Loan 1 amounting to £13,725,000 (equivalent to S$22,813,695) in respect of the costs incurred for the acquisition of the Property including all incidental costs and stamp duty; and

(b) a Term Loan 2 amounting to £4,950,000 (equivalent to S$8,227,890) to partly finance the Redevelopment of the Property.

The tenor of the above-mentioned loans is 5 years from the date of drawdown. The Term Loan 1 shall be drawn down by the PropCo prior to completion of the Proposed Acquisition.

3.2. Information on the Property

The Property is a freehold mixed-use building with a net internal area of 18,900 square feet comprising of retail accommodation over 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. 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
Number of units	:	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.
Amount of lettable space / lettable space available for letting	:	18,900 square feet
Valuation of the Property (Based on valuation report by Colliers International Property Consultants Limited dated 1 November 2023)	:	£17,500,000 (equivalent to approximately S$29,088,500)

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition will be beneficial for the Company's real estate development and investment business as the Company will be able to expand its property portfolio and increase its revenue stream.

The Proposed Acquisition is in line with the Company's intention to diversify the Group's geographical presence, with an entry into the United Kingdom, through the acquisition of the Property located in Central London.

The Company currently envisages that the Property will be redeveloped into a contemporary mixed-use building comprising residential and retail units.

The Board believes that the Proposed Acquisition and subsequent Redevelopment of the Property would provide the Company with: (i) sale income derived from the sale of the residential and retail units, which is in a prime area with a strong reference price; and (ii) additional and recurrent revenue streams through the rental income derived from the Property's 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.

In view of the above, the Board (save for the Interested Directors) is of the view that the Proposed Acquisition in the best interests of the Company and the Shareholders.

5. PRINCIPAL TERMS OF THE TERM SHEET

The principal terms of the Term Sheet are set out below:

Purchase Consideration

The purchase consideration for the Proposed Acquisition is approximately £2,590,000 (equivalent to S$4,305,098), which is based on the proforma consolidated net asset value of the Target and the PropCo as at 30 September 2023. The total purchase consideration

will be subject to adjustments based on the consolidated net asset value of the Target and the PropCo upon the completion date.

As highlighted in para 3.1 above, the PropCo has secured financing for the Property and the Redevelopment totalling up to £18,675,000 (equivalent to S$31,041,585) from CIMB. Based on the existing terms of the facility agreement with CIMB, the existing shareholders of the PropCo shall on a several basis proportionately guarantee the repayment of the indebtedness under the said facility agreement. Pursuant to the Proposed Acquisition, the approval of CIMB will be sought for the change in shareholder from the Vendor to the Company.

As CIMB may require the Company to provide an equivalent guarantee, we have included in the aggregate purchase consideration the provision of a corporate guarantee of £9,337,500 (equivalent to S$15,520,793) which is proportionate to the Target's 50% shareholding in the PropCo, to secure the payment of the indebtedness for the banking facilities granted by CIMB to the PropCo (the "**Corporate Guarantee")** into the total value of the Proposed Acquisition, being an aggregate amount of approximately £11,927,500 (equivalent to S$19,825,891) (the "**Total Acquisition Value**"), for the purposes of working out the respective ratios under Chapter 10 of the Mainboard Rules.

Conditions Precedent

Completion shall be conditional upon, *inter alia*,

(a) all necessary approvals, consents and conditions from all relevant regulatory authorities in Singapore (including the SGX-ST where relevant) in connection with the Proposed Acquisition being obtained;

(b) the approval by the Board in connection with the Proposed Acquisition being obtained;

(c) the approval by the Shareholders being obtained for the Proposed Acquisition, which is required under Chapter 9 and Chapter 10 of the Mainboard Rules;

(d) the approval by the Shareholders being obtained for the proposed diversification of the Company's business into a new geographic area, the United Kingdom, and

(e) the approval of CIMB for the change in shareholder from the Vendor to the Company.

Exclusivity

The Parties have agreed to an exclusivity period of 30 days commencing from the date of the Term Sheet (unless otherwise agreed between the Parties) (the "**Exclusivity Period**") to the entry into a Definitive Agreement with respect to the Proposed Acquisition, and shall not (directly or indirectly through its directors, employees, agents or representatives, where applicable) negotiate or engage in discussions with, solicit or entertain an offer from, or enter into any agreement or arrangement with any other person or entity, in relation to any expression of interest, offer or proposal by any person which is in competition with the Proposed Acquisition.

Duration and Termination

The Parties will use best endeavours and negotiate in good faith to finalise and execute the Definitive Agreement before the expiry of the Exclusivity Period, provided that the Term Sheet shall automatically terminate upon the earlier of the (a) execution of the Definitive Agreement by the Parties; (b) mutual consent in writing of the Parties; or (c) expiry of the Exclusivity Period (unless otherwise extended by the parties in writing).

Governing Law

The Term Sheet and all non-contractual or other matters or obligations arising out of, under or in connection with it shall be governed by, and construed in accordance with, the laws of Singapore. In relation to any legal action or proceedings arising out of or in connection with the Term Sheet, each of the parties hereby irrevocably submits to the exclusive jurisdiction of the courts of Singapore.

6. INTERESTED PERSON TRANSACTION AND MAJOR 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 SGX-ST 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 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, to provide a property valuation report for the purpose of the Proposed Acquisition.

Based on the Total Acquisition Value and the financials of the Company, the Proposed Acquisition is envisaged to constitute a "Major Transaction" under Mainboard Rules 1006 and 1014.

Accordingly, pursuant to Chapter 9 and Chapter 10 of the Mainboard Rules, upon signing of the Definitive Agreement, the completion of the Proposed Acquisition will be conditional upon, *inter alia*, the approval of the Company's shareholders at an EGM to be convened.

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.

7. DIVERSIFICATION OF BUSINESS

As the Company is a regional real estate developer and investor with a presence in Singapore, Australia, and Malaysia, the Proposed Acquisition would constitute a diversification of the Group's property business into a new geographic area, the United Kingdom, pursuant to Practice Note 10.1 of the Mainboard Rules (the "**Proposed Diversification**").

Accordingly, the Proposed Diversification will be conditional upon, *inter alia*, the approval of the Company's shareholders at an EGM to be convened.

As the Major Shareholder and its associates are required under Chapter 9 of the Mainboard Rules to abstain from voting on the shareholders' resolution regarding the Proposed Acquisition as an Interested Person Transaction, and the Group will not be able to proceed with the Proposed Diversification in the event that shareholders' approval is not obtained for the Proposed Acquisition, the Major Shareholder and its associates will also be abstaining from voting on the shareholders' resolution regarding the Proposed Diversification.

8. 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 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.

Mr Soo Kim Wai, Mr Shahman Azman and Puan 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.

9. FURTHER ANNOUNCEMENTS

The Board wishes to emphasise that the Term Sheet represents an agreement between the Parties which is subject to the entry into the Definitive Agreement. The Proposed Acquisition is subject to further negotiations and conditions and there is no certainty or assurance as at the date of this announcement that the Parties will eventually enter into any Definitive Agreement as contemplated under the Term Sheet.

The Company will make further announcements as and when appropriate in compliance with the requirements of the Mainboard Rules (including, *inter alia*, information required under Chapter 9 and Chapter 10 of the Mainboard Rules) if and when the Definitive Agreement in respect of the Proposed Acquisition have been entered into and/or when there are material developments in respect of the Proposed Acquisition.

10. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Definitive Agreement will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that set out in the Term Sheet, or the Proposed Acquisition will be undertaken or completed at all.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock brokers, 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
6 November 2023