

**AMOS GROUP LIMITED**  
("Company")  
(Company Registration No. 201004068M)  
(Incorporated in the Republic of Singapore)

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**GRANT OF OPTIONS TO PURCHASE IN RESPECT OF PROPERTIES**

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**1. INTRODUCTION**

The Board of Directors ("**Board**") of the Company (and together with its subsidiaries, the "**Group**") wishes to announce that Amos Supply Pte. Ltd. ("**ASPL**"), a wholly-owned subsidiary of the Company, has granted an Option to Purchase ("**OTP**") to a third party purchaser ("**Purchaser**") in relation to the sale of the property located at 7 Gul Avenue, Singapore 629651 ("**7 Gul Avenue**") on the terms and subject to the conditions of the OTP ("**Proposed Disposal**").

**2. INFORMATION ON THE PURCHASER**

The Purchaser is Hean Nerng Logistics Pte Ltd, an indirect wholly-owned subsidiary of LHN Limited ("**LHN**"), incorporated in the Republic of Singapore and having its registered address at 10 Raeburn Park, #02-18 Singapore 088702. LHN is a public company whose securities are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and The Stock Exchange of Hong Kong Limited.

**3. INFORMATION ON 7 GUL AVENUE**

7 Gul Avenue is a leasehold property comprising Lot 215W of MK 7 with a 60-year lease that commenced on 1 November 1972 and Lot 307T of MK 7 with a 57-year lease that commenced on 1 November 1975, respectively. 7 Gul Avenue has a total land area of approximately 22,479.7 square metres.

**4. CONSIDERATION AND SALIENT TERMS OF THE OTP**

4.1. The consideration for the Proposed Disposal is S\$13,000,000 ("**Consideration**") which shall be payable in the following manner:

- (a) A sum of S\$650,000 plus GST of S\$45,500 shall be payable upon the date of the OTP; and
- (b) The balance of the Consideration, being S\$12,350,000 (exclusive of GST, which is equivalent to 95% of the amount of the Consideration) shall be payable upon completion of the Proposed Disposal,

4.2. The Consideration was arrived at on a willing-buyer willing seller basis, having taken into account various commercial factors, including without limitation prevailing market conditions and a valuation report dated 14 November 2017 issued by United Valuers Pte Ltd and commissioned by the Company (the "**Valuation Report**"). The Consideration of S\$13,000,000 took into consideration the balance lease period of approximately 13 years and 6 months as at the date of the OTP, as well as the prevailing market conditions at the date of the OTP.

4.3. Some salient terms of the OTP are as follows:

- (a) The sale and purchase of 7 Gul Avenue is subject to the Singapore Law Society's Conditions of Sale 2012 ("**LSC**") insofar as the LSC and the terms and conditions of the OTP are not contrary to or in conflict with (i) Conveyancing & Law of Property (Conveyancing) Rules 2011 as promulgated under the Conveyancing & Law of Property Act (Chapter 61), and (ii) the Singapore Academy of Law (Conveyancing Money) Rules 2011 as promulgated under the Singapore Academy of Law Act (Chapter 294A), if applicable.
- (b) The sale and purchase of 7 Gul Avenue is subject to the Purchaser obtaining approval from:
  - (i) the shareholders of LHN (if applicable) for the acquisition of 7 Gul Avenue ("**LHN Shareholders' Approval**");
  - (ii) in-principle approval from Jurong Town Corporation for the sale and purchase of 7 Gul Avenue, including approval for change of use of 7 Gul Avenue (if so required by the Purchaser) ("**JTC Approval**").
- (c) The Proposed Disposal shall be completed within four weeks from the date of the exercise of the OTP or four weeks from the date of completion of certain works, whichever is the later date, but in any event, no later than 24 weeks from the date of the OTP.
- (d) If the Shareholders' Approval (if applicable) is not obtained within 12 weeks from the date of the OTP, ASPL shall be entitled to forfeit the Deposit, GST and all other moneys (if any) paid by the Purchaser to ASPL towards the Consideration without prejudice to any other remedy available to ASPL under the provisions of the OTP at law or in equity.
- (e) If the JTC Approval is not obtained by the expiry of 12 weeks from the date of the OTP (or such other time as may be mutually agreed by both ASPL and the Purchaser), then, subject to the terms provided in the OTP, either party shall be at liberty to rescind the sale and purchase of 7 Gul Avenue by giving written notice to the other party, and the OTP shall be null and void, and of no further effect.
- (f) The Deposit, GST and all other moneys (if any) paid by the Purchaser shall be refundable upon the occurrence of certain events, such as if the inability to obtain JTC Approval is not attributable to the Purchaser's default or in the event that the Purchaser receives unsatisfactory replies to legal requisitions to various government departments, or where the sale of 7 Gul Avenue or obligations of the Vendor under the OTP are delayed prevented hindered or otherwise rendered incapable of performance.

## 5. FINANCIAL EFFECTS

The financial effects of the Proposed Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Proposed Disposal. The financial effects of the Proposed Disposal set out below have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 March 2018 ("**FY2018**").

### 5.1. Net Tangible Assets ("NTA")

For illustrative purposes only, the effects of the Proposed Disposal on the audited consolidated NTA per share of the Group as at FY2018, assuming that the Proposed Disposal had been completed on 31 March 2018, being the end of the most recently completed financial year, are set out below:

	Before the Proposed Disposal	After the Proposed Disposal
Consolidated NTA	182,416,652	193,209,009
Number of shares	1,798,000,000	1,798,000,000
Consolidated NTA per share (cents)	10.15	10.75

### 5.2. Earnings per Share ("EPS")

	Before the Proposed Disposal	After the Proposed Disposal
Earning attributed to the equity holders of the Company	(51,574,641)	(40,782,284)
Weighted average number of shares	508,794,521	508,794,521
Consolidated EPS (cents)	(10.14)	(8.02)

## 6. RATIONALE FOR THE PROPOSED DISPOSAL

The Company has taken steps to become more asset-light through the restructuring of its business, operations, and balance sheet to preserve the value of the Company for its stakeholders, including by selling down inventory housed at 7 Gul Avenue, which was also the corporate office of the Group. As a result of the foregoing, the Board has considered that 7 Gul Avenue is not being fully utilised and accordingly, the Company has shifted its corporate office to a location that better suits its current needs. In this connection, the Board has considered and resolved that the Proposed Disposal will be in the commercial interests and benefit to the Group.

## 7. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

Based on the announced consolidated unaudited financial statements of the Group for the period ended 31 December 2018, being the latest announced consolidated unaudited financial statements of the Group, the relative figures applicable to the Proposed Disposal computed on the bases pursuant to Rule 1006 of the listing manual of the SGX-ST ("**Listing Manual**") are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value <sup>(1)</sup>	1.68%
(b)	Net profit / loss attributable to the assets to be disposed of, compared with the Group's net profit / loss <sup>(2)</sup>	Not applicable
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares <sup>(3)</sup>	13.9%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	No applicable to disposal of assets

**Notes:**

- (1) Based on the net asset value of 7 Gul Avenue and the net asset value of the Group as at 31 December 2018 being S\$2.09 million and S\$124.11 million, respectively.
- (2) There is no net profit or loss attributable to 7 Gul Avenue as it has been solely utilised for the Group's own use as the headquarters of the Group.
- (3) Based on the consideration of S\$13.0 million and market capitalisation of the Company of S\$93.51 million which is determined by multiplying the issued share capital of the Company of 2,597,374,250 ordinary shares in issue with the weighted average price of S\$0.036 transacted on the Mainboard of the SGX-ST on 16 May 2019.

As the relative figures computed under Rule 1006 of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Disposal constitutes a discloseable transaction under Chapter 10 of the Listing Manual.

## **8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

The Purchaser is not related to the Company or any of its subsidiaries and none of the Company's directors, substantial shareholders and/or their respective associates has any interests (direct or indirect) in the Proposed Disposal.

## **9. DIRECTORS' SERVICE CONTRACTS**

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

## **10. NON-DISCLOSEABLE TRANSACTIONS**

The Board also wishes to announce that the Group had granted two OTPs to two independent third party purchasers in relation to the sale of the Group's properties located at 17 Joo Koon Way, Singapore 628948 ("**17 Joo Koon Way**") for a consideration of S\$4,700,000 excluding GST and 66 Kian Teck Road, Singapore 628796 ("**66 Kian Teck Road**") for a consideration of S\$2,800,000 excluding GST, respectively. The foregoing disposals were made in line with the rationale for the Proposed Disposal of 7 Gul Avenue, being that the Company has taken steps to become more asset-light through the restructuring of its business, operations, and balance sheet (further details of which are set out in paragraph 6 above). To the best of the Company's knowledge, the purchasers of 17 Joo Koon Way, 66 Kian Teck Road and 7 Gul Avenue are independent of each other.

The relative figures of each of the disposals of 17 Joo Koon Way and 66 Kian Teck Road using the applicable bases of comparison set out in Rule 1006 of the Listing Manual do not exceed 5%. Accordingly, each of the disposals constitute a "non-discloseable" transaction under Rule 1008 of the Listing Manual and disclosure of the foregoing disposals is made for completeness. The consideration for the disposals of both 17 Joo Koon Way and 66 Kian Teck Road were arrived at on a "willing buyer willing seller" basis after taking into account, amongst other factors, the current market conditions. The net asset value of 17 Joo Koon Way and 66 Kian Teck Road as at 31 December 2018 is approximately S\$0.3 million and S\$3.0 million, respectively.

## **11. USE OF PROCEEDS**

The Company expects to receive total proceeds of S\$20.5 million from the disposal of 7 Gul Avenue, 17 Joo Koon Way and 66 Kian Teck Road which will be used to repay outstanding bank borrowings.

## **12. 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 Disposal 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.

### **13. INSPECTION OF DOCUMENTS**

A copy of the OTP and Valuation Report for 7 Gul Avenue will be made available for inspection during normal business hours at the registered office of the Company at 156 Gul Circle, Singapore 629613 for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

Kyle Arnold Shaw, Jr.  
Executive Chairman  
**AMOS GROUP LIMITED**

17 May 2019