Amcorp Global Limited

Incorporated in the Republic of Singapore
Company Registration No: 201230851R

SALE OF THE LARMONT HOTEL BY SUBSIDIARIES

1. SALE AGREEMENTS

The Board of Directors (the "**Board**") of Amcorp Global Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce the Company has on 5 December 2022, through:

1.1 Potts Point Hospitality Pty Ltd (the "**Property Seller**"), entered into a contract for the sale of Larmont Hotel, comprising Strata Lots 2, 3, 5, 18, 19 in the Strata Plan 79156 and Lot 78 in Strata Plan 95963 (the "**Property**") ("**Property Contract**") with Pro-invest Australian Hospitality Opportunity (ST) Pty Limited as trustee of Pro-invest Potts Point Trust (the "**Property Purchaser**"); and

1.2 LLP Hospitality Pty. Ltd. (the "**Business Seller**"), entered into a sale of business agreement ("**Business Contract**") for the sale of the hotel business ("**Hotel Business**") with Pro-invest Hotel Operating Potts Point Pty Ltd (the "**Business Purchaser**"),

(collectively, the "**Transaction**").

The Business Seller is a wholly-owned subsidiary of the Property Seller. The Property Seller is 55% owned by Amcorp Hospitality Pte. Ltd., which is in turn a wholly-owned subsidiary of the Company. The Property is located at 2-14 Kings Cross Road, Potts Point, in Sydney, Australia.

The Property Purchaser and the Business Purchaser, both being companies incorporated in Australia, are in the business of owning and managing hotel assets, and are independent and unrelated third parties to the Group.

The Completions of the Property Contract and Business Contract (as defined below) are interdependent and the latest Completion date of the Transaction (as defined below) is six (6) months after the contract date or such other date as is agreed by the parties in writing.

2. CONDITION PRECEDENT

In accordance to the Property Contract and the Business Contract, the completion of the Transaction is expected to take place five (5) business days following notice from the Property Purchaser and Business Purchaser that the requisite approvals from the Foreign Investment Review Board have been satisfied ("**Completion**").

3. CONSIDERATION

The total consideration for the Transaction is AUD46.25 million (SGD42.55 million)[1] ("**Consideration**"), comprising AUD43.0 million (SGD39.56 million) for the sale of the Property and AUD3.25 million (SGD2.99 million) for the sale of the Hotel Business, to be satisfied fully in cash and was arrived at on a willing-buyer-willing-seller basis, after taking into account the book value, valuation and conditions of the Property and financial performance of the Hotel Business, amongst other factors.

Deposit of AUD4.625 million (SGD4.255 million), constituting ten per cent (10%) of the Consideration has been received and held in escrow until the Completion, rescission or termination of the Transaction. The balance of the Consideration shall be paid on Completion.

[1] Based on the exchange rate of AUD1:SGD0.9200, which conversion rate is applied to all AUD to SGD conversion in this announcement.

4. RATIONALE

As a property development and investment company, the Transaction accords with the Group's aim to realise value in its investment, and improve liquidity and financial position of the Group. The net proceeds of the Transaction may be redeployed towards the Group's working capital and / or higher yielding property development / investment projects.

The sale and purchase of properties and investments are considered transactions in the ordinary course of the Company's core business, provided that there is no change in the Company's risk profile following the transaction. The Board is of the view that there will be no material change in the Company's risk profile following the Transaction. The Transaction is accordingly considered to be in the ordinary course of the Company's business.

5. FINANCIAL EFFECTS

The pro forma financial effects of the Transaction presented below are strictly for illustration purposes and do not reflect the actual financial position of the Group post the Transaction. The pro forma financial effects have been prepared based on the last audited financial statements of the Group for the financial year ended 31 March 2022 and have not been reviewed or audited by an independent party.

Excess of the proceeds over book value

	S$'000
Consideration	*42,550*
Net book value of Property as at 30 Nov 2022	*31,385*
Pre-tax gain on sale (after estimated transaction costs)	*10,654*
After-tax gain on sale at Group's effective interests of 55%	*5,609*

Net tangible asset ("**NTA**") per share

Assuming the sale was made on 31 March 2022:

	Before the sale (S$'000)	*After the sale (S$'000)*
NTA	*81,962*	*87,571*
NTA per share	*18.34 cents*	*19.60 cents*

Earnings per share ("**EPS**")

Assuming the sale was made on 1 April 2021:

	Before the sale (S$'000)	*After the sale (S$'000)*
Loss after tax and NCI[2]	*9,418*	*3,809**
Loss per share	*2.11 cents*	*0.85 cents*

* Taking into consideration the Group's effective interest in the gain on sale of SGD5,609,000

[2] NCI: non-controlling interests

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any direct or indirect interests in the Transaction.

By order of the Board

Ng Tah Wee
Financial Controller and Company Secretary
5 December 2022