



## **Amcorp Global Limited**

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

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# **WORKOTEL AND THISTLE GUESTHOUSE IN NEW ZEALAND - AGREEMENT FOR SALE AND PURCHASE OF REAL ESTATE**

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## **I. Agreement for Sale and Purchase of Real Estate (“SPA”)**

The Board of Directors (“**Board**”) of the Company wishes to inform shareholders that its indirect 75.1% owned subsidiary, Teematic Private Limited, which is held by its indirect wholly owned subsidiary, Amcorp Oceania Pte Limited (previously known as TEE Oceania Pte Limited), has entered into a contract for the sale and purchase of Workotel and Thistle Guesthouse (“**Sale**”), comprising 104 units, 4 houses and 10 rooms for workers’ accommodation located at 19 Main South Road and 21 Main North Road, Christchurch, New Zealand (“**Property**”) on 28 May 2020 with Kāinga Ora – Home and Communities (“**Purchaser**”).

The Purchaser is an independent and unrelated third party.

## **II. Consideration**

The consideration for the Sale is NZD8.60 million (SGD7.50 million)<sup>1</sup> to be satisfied fully in cash and was arrived at on a willing-buyer-willing-seller basis, after taking into account the net asset value and historical financial performance of the Property as well as the valuation of the Property.

## **III. Conditions Precedent**

The Sale is expected to be completed by the third quarter of 2020, subject to satisfaction of various conditions precedent, including satisfactory completion of due diligence and obtaining all requisite approvals by the Purchaser.

The Company will make an announcement in due course to update shareholders on completion, when it takes place.

## **IV. Rationale**

The Sale accords with the Group's aim to realise value in its investments. Our share of the net proceeds from the Sale on completion is expected to amount to NZD2.71 million (SGD2.37 million). The net proceeds will be for the Group’s working capital purposes.

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<sup>1</sup> Based on the exchange rate of NZD1:SGD0.8720, which conversion rate is applied to all NZD to SGD conversion.

## V. Relative Figures

Being a property development and investment company, the sale and purchase of properties 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 Sale. The Sale is accordingly considered to be in the ordinary course of the Company's business.

Solely for information only, the relative figures in relation to the Sale computed on the applicable bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited are also disclosed below:

<u>Bases</u>	<u>Relative Figure</u>
(a) <i>The net asset value of the assets to be disposed of, compared with the group's net asset value.</i>	1.9%, based on the Group's effective interest in the Property and the Group's net asset value as at 30 November 2019.
(b) <i>The net profit attributable to the assets acquired or disposed of, compared with the group's net profit</i>	-0.7%, based on the Property's net profits and the Group's net losses before tax for the financial period ended 30 November 2019.
(c) <i>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</i>	7.0%, based on the Company's market capitalisation of SGD79.99 million as at the date of this announcement and the Group's effective interest in the consideration.
(d) <i>The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue</i>	Not applicable.
(e) <i>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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.</i>	Not applicable.

## VI. Financial Effects

The pro forma financial effects of the Sale presented below are strictly for illustration purposes and do not reflect the actual financial position of the Group post Sale. The pro forma financial effects have been prepared based on the last audited financial statements of the Group for the financial year ended 31 May 2019 ("FY2019") and have not been reviewed or audited by an independent party.

Excess of the proceeds over book value

	<u>S\$'000</u>
<i>Consideration</i>	7,499 <sup>2</sup>
<i>Net book value of Property as at 30 November 2019</i>	7,038
<i>Gain on sale (before transaction costs)</i>	461
<i>Gain on sale at Group's effective interest of 75.1%</i>	346

Net tangible asset ("NTA") per share

Assuming the sale was made on 31 May 2019:

	<u>Before the sale (S\$'000)</u>	<u>After the sale (S\$'000)</u>
<i>NTA</i>	121,292	121,638
<i>NTA per share</i>	27.1 cents	27.2 cents

Earnings per share ("EPS")

Assuming the sale was made on 1 June 2018:

	<u>Before the sale (S\$'000)</u>	<u>After the sale (S\$'000)</u>
<i>Loss after tax</i>	23,840	23,060*
<i>Loss per share</i>	5.33 cents	5.16 cents

\*Taking into consideration the Group's effective interest in the gain on sale of SGD346,000 and the net loss after tax from the operation of the Property for the financial year ended 31 May 2019 of SGD434,000.

**VII. Interests of Directors and Controlling Shareholders**

None of the directors or controlling shareholders of the Company has any direct or indirect interests in the Sale save for their respective shareholdings in the Company.

**VIII. Service Contracts**

No person is proposed to be appointed as a director of the Company in connection with the sale.

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<sup>2</sup> Based on the exchange rate of NZD1:SGD0.8720, which conversion rate is applied to all NZD to SGD conversion.

**IX. Document for Inspection**

A copy of the SPA is available for inspection upon request by any shareholder during normal business hours at 25 Bukit Batok Street 22, Singapore 659591 for a period of three months, commencing from the date of this announcement.

By Order of the Board

Ng Tah Wee  
Financial Controller and Company Secretary

28 May 2020