



HOTEL GRAND CENTRAL LIMITED

大中酒店有限公司

(Company No. 196800243H)

HOTEL GRAND CENTRAL LIMITED

PROPOSED SALE OF PWC CENTRE, CHRISTCHURCH, NEW ZEALAND

1. PROPOSED DISPOSAL

The Directors of Hotel Grand Central Limited (“**HGC**”) wish to announce that HGC has reached agreement with a third party (the “**Purchaser**”) to sell the abovementioned property for the aggregate amount of NZ\$60,000,000.00

2. INFORMATION ON PWC CENTRE (“PWCC”)

PWCC was purchased by HGC in 2017 for the purchase price of NZ\$49.00 million. The property is a 6 levels commercial office building with lettable area of 7,872 square metres with 103 carpark spaces. It is situated on freehold land with a total land area of 3,750 square metres.

3. PRINCIPAL TERMS OF THE TRANSACTION

The principal terms of the transaction are summarised below.

3.1 Consideration

The aggregate consideration payable by the Purchaser to HGC shall be NZ\$60.00 million (the “**Consideration**”).

The Consideration was arrived at after arm’s length negotiations and on a willing buyer willing seller basis, taking into account, inter alia, the current office and retail market condition in Christchurch, New Zealand.

3.2 Conditions Precedent

The Purchaser declared the agreement unconditional after carrying out a due diligent investigation of the property on 27 October 2020 and paid the 1% deposit of NZ\$600,000 on 28 Oct 2020.

3.3 Completion

Completion date is 11 November 2020 being 10 working days following the unconditional date of 27 October 2020.

4. RATIONALE OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS

The proposed sale transaction allows HGC to realise its investment in this office building asset.

The net sale proceeds after full repayment of the residual mortgagee loan of NZ\$17 million and payment of related transaction costs such as sales commission and professional fees and taxes shall be placed into interest bearing bank term deposits pending a decision by the Directors on future investment opportunities.

5. RELATIVE FIGURES PURSUANT TO RULE 1006

We set out below the relative figures for the Proposed Disposal, computed in accordance with Rule 1006 of the SGX-ST Listing Manual.

Pursuant to the Proposed Disposal, the Consideration of the transaction is S\$53,958,000.

Based on the audited consolidated financial results of HGC for the twelve months ended 31 December 2019, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006(a) to (d) of the SGX-ST Listing Manual are as follows:

Rule 1006 (a)	Net Asset of PWCC (S\$'000)	Net Asset of HGC Group (S\$'000)	Relative Figures
	45,607	1,349,889	3.38%

Rule 1006 (b)	Net Profit of PWCC (S\$'000)	Net Profit of HGC Group (S\$'000)	Relative Figures
	2,916	26,467	11.02%

Rule 1006 (c)	Total Consideration of transaction (S\$'000)	Market Capitalisation ⁽¹⁾ at 3 July 2020 (S\$'000)	Relative Figures
	53,958	704,739	7.66%

Rule 1006 (d)	Not Applicable		
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⁽¹⁾ HGC's market capitalisation of approximately \$704.74 million is based on its total number of issued shares of 726,535,377 and the closing share price of

S\$0.97 on 3 July 2020, being the market day immediately preceding the date of signing the Sales and Purchase Agreement (“SPA”).

The Proposed Disposal is deemed to be a discloseable transaction under the Listing Manual rules.

6. FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Disposal presented below are for illustration purposes only and do not reflect the actual financial results of HGC and its subsidiaries after Completion.

The following pro forma financial effects have been prepared based on the audited consolidated statements of HGC for FY 2019 for illustrating the financial effect on the consolidated net assets per share and consolidated earnings per share of HGC. It assumes that the Proposed Disposal had been completed on 31 December 2019 and that there was no loss in earnings contribution by the office building asset for FY 2019.

Net Asset (“NA”)

	NA	NA per Share
	<u>(S\$’000)</u>	<u>(“S\$”)</u>
Before the Proposed Disposal	1,349,887	1.86
After the Proposed Disposal	1,358,048	1.87

The NA per share is calculated based on the number of shares in issue of 726,535,577 as at 31 December 2019.

Earnings per Share (“EPS”)

	Net Profit	EPS
	<u>(S\$’000)</u>	<u>(“Cents”)</u>
Before the Proposed Disposal	26,467	3.64
After the Proposed Disposal	34,628	4.77

The EPS is calculated by dividing the net profit after tax attributable to shareholders by the weighted average number of shares in issue of 726,535,577 for FY2019.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or substantial shareholders has any interest, direct or indirect in the transaction.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the registered office of HGC at 22 Cavenagh Road Singapore 229617, for a period of 3 months from the date of this announcement.

By Order of the Board

Eliza Lim Bee Lian
Company Secretary

30 October 2020