



**HOTEL GRAND CENTRAL LIMITED**

大中酒店有限公司

Incorporated in Singapore, UEN Number: 196800243

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## **Sale of Hotel Grand Chancellor (“HGCP”) Palm Cove, Queensland, Australia by wholly owned subsidiary**

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The Directors of Hotel Grand Central Limited (“HGC”) wish to make the following announcement for public release.

1. Hotel Grand Chancellor, Palm Cove in Australia, owned by a wholly owned subsidiary of HGC has been sold to a third party for the sum of A\$10,888,888 paid in cash.
2. The sale consideration was arrived at on a willing buyer willing seller basis and after taking into consideration factors such as the current and future hotel market condition in the Palm Cove locality.
3. The Purchaser had declared the agreement unconditional after carrying out a due diligent investigation of the property and had paid the deposit of A\$1.0 million. The balance sum of A\$9,888,888 after settlement adjustments was paid on settlement date, being 11 August 2021. Commission of A\$ 326,666 is payable to CBRE.
4. The property was valued by Colliers International based on the income method on 31 December 2020 at A\$9.30 million. No updated valuation was carried out on the property since its last valuation. It is the Group’s policy to revalue its hotels once every 3 years. It was the Directors’ view that there were no material changes to market conditions that would affect the valuation of the property significantly between the date of the last valuation and date of the sale agreement.
5. The property contributed A\$814,000 of net loss to the audited Group’s net profits for the year ended 31 December 2020.
6. The sale transaction allows the Group to realise its investment in this property which had not been performing well and had a challenging outlook. Upon conclusion of this transaction and after deducting the sales commission, the Group would make a net loss of A\$93,645 over its book value as at 31 December 2020 (1%) which would be recorded in the Group’s Income Statement. In addition, the Group would be transferring the amount of A\$325,000 from its Asset Revaluation Reserve to the Group’s Retained Earnings.

7. The net sale proceeds will be placed into interest bearing bank term deposits to top up the Group's cash pool pending future investment opportunities by the Group. The Group is currently working with an architect to explore the development of an empty piece of land in Christchurch which was purchased in 2019. The intention is to build a mixed development comprising hotel, carpark and retail/office space.
8. The transaction will not have any material effect on the Group's earnings per share and net tangible assets per share for the year ending 31 December 2021.
9. Based on the audited consolidated financial results of HGC for the twelve months ended 31 December 2020, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:-

Rule 1006 (a)	Net Asset of HGCP (S\$'000)	Net Asset of HGC Group (S\$'000)	Relative Figures
	9,481	1,334,526	0.7%

Rule 1006 (b)	Net Loss of HGCP (S\$'000)	Net Profit of HGC Group (S\$'000)	Relative Figures
	(777)	37,328	(2.1%)

Rule 1006 (c)	Total Consideration of transaction (S\$'000)	Market Capitalisation at 31 December 2020 (S\$'000)	Relative Figures
	10,389	762,862	1.4%

Rule 1006 (d)	Not Applicable		
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The transaction is deemed to be a **non - discloseable transaction** under the Listing Manual rules.

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

By Order of the Board

Eliza Lim Bee Lian  
Company Secretary

19 August 2021