



HOTEL GRAND CENTRAL LIMITED

大中酒店有限公司

(Company No. 196800243H)

HOTEL GRAND CENTRAL LIMITED

Proposed Purchase of The PWC Centre, 60 & 38 Cashel Street, Christchurch, New Zealand

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

1. HGC through its wholly owned subsidiary, Grand Central (NZ) Limited (the “Purchaser”) had entered into a conditional sale and purchase agreement (‘Agreement’) on 10 May 2017 with a third party to acquire the PWC Centre at 60 & 38 Cashel Street, Christchurch, New Zealand (“PWC Centre”) for NZ\$ 49.0 million.
2. The PWC Centre is situated on land with a total land area of 3,749 square metres as follows: -
 - Freehold title Lot 1 Deposited Plan 52804 of 639 sqm
 - Freehold title Lot 2 Deposited Plan 73381 of 1,280 sqm
 - Freehold title Lot 1 Deposited Plan 49515 of 819 sqm
 - Section 491, Town of Christchurch of 1,011 sqm
3. The property is a 6 levels commercial office building with lettable area of 7,917 square metres with 103 carpark spaces. Completed in December 2016, the building is currently let out with a net rental of NZ\$3,345,782 per annum.
4. The purchase was subject to the Purchaser being satisfied that the property is suitable for its requirements following its due diligence investigation of the property. The time for satisfaction of this condition was 20 working days after the date both parties have signed the Agreement.
5. The Agreement became unconditional on 8 June 2017. As set out in the Agreement, a deposit of NZ\$4,900,000 shall be paid to a stakeholder after the Agreement became unconditional on 8 June 2017. The balance purchase price of NZ\$44,100,000 would be payable on Settlement Date.
6. Settlement Day for the Agreement shall be 30 working days after the unconditional date of 8 June 2017.

7. The proposed acquisition will enable HGC and its Group to expand their presence in the commercial office market in Christchurch, New Zealand.
8. The purchase is based on a willing buyer and willing seller basis and after taking into account the present and future commercial office market in Christchurch. No valuation has been carried out by the Purchaser on the property.
9. The purchase will be financed by the Group's own funds and bank borrowings.
10. The directors and substantial shareholders of HGC have no interest either direct or indirect in the transaction.

11. Financial Effects of the Proposed Acquisition

Share Capital

The effects of the Proposed Acquisition on the share capital of the Company are as follows:-

	Before Proposed Acquisition	After Proposed Acquisition
Total Number of Share	663,033,129	663,033,129
Total Issued and Paid-up Share Capital⁽¹⁾	S\$ 421,996,632	S\$ 421,996,632

Net Tangible Assets ("NTA")

The effect of the Proposed Acquisition on the NTA per share of the Group for the financial year ended 31 December 2016, assuming that the Proposed Acquisition had been effected at the end of that financial year is as follows:-

	Before Proposed Acquisition	After Proposed Acquisition
NTA per Share	1.97 cents	1.97 cents

Earning per Share ("EPS")

The effect of the Proposed Acquisition on the EPS of the Group for the financial year ended 31 December 2016, assuming that the Proposed Acquisition had been effected at the beginning of that financial year is as follows:-

	Before Proposed Acquisition	After Proposed Acquisition
EPS	7.97 cents	8.36 cents

12. Relative Figures computed based on Rule 1006 of the Listing Manual

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

- | | | |
|----------|------------------------|--|
| 1006 (a) | Net Asset Value Test | Not applicable as this transaction is an acquisition and not a disposal of assets. |
| 1006 (b) | Profits Test | The net profits after tax attributable to the assets acquired, compared with the Group's net profits was approximately S\$2.62 million which represent approximately 5.0 % of the Group's net profit for FY2016 of S\$ 52.88 million. |
| 1006 (c) | Consideration Test | The Consideration of S\$ 48.67 million for the Proposed Acquisition represents approximately 5.1 % of the Company's current market capitalisation of approximately S\$ 954.77 million as at 9 May 2017 (being the market day preceding the date of the Agreement). |
| 1006 (d) | Equity Securities Test | Not applicable. |

Having regard to the above, the Proposed Acquisition is a "Discloseable Transaction" under Rule 1010 of the Listing Manual.

13. Documents for Inspection

A copy of the Agreement is available for inspection at the registered office of the Company at Hotel Grand Central Building, 22 Cavenagh Road, Singapore 229617 for 3 months from the date of this announcement.

By Order of the Board

Lim Bee Lian Eliza
Company Secretary

8 June 2017