
RESPONSE TO THE QUERY FROM THE
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

In response to the query from the SGX-ST in their email dated 8 January 2021, the Board of Directors of the Company wishes to provide the following information in respect of the Company’s announcement dated 30 December 2020 (the “**SGX Announcement**”) with respect to the “Divestment of Stamford Green (formerly known as Dynons Plaza)”.

Unless stated otherwise, definitions found under the SGX Announcement will be adopted in this announcement.

1. Query:

“In the Company’s 30 December 2020 announcement, it disclosed that the property is deemed a non-core asset. As the Company’s principal business is property development and property investment, please kindly elaborate the management’s rationale for classifying Stamford Green as a non-core asset and how is this consistent with previous transactions which the Company has deemed core assets such as the acquisition of the property located at 8 Finsbury Circus, London, United Kingdom announced on 26 July 2019.”

Response:

The Company has three main business segments, namely (i) Hotel Owning and Management, (ii) Property Investment, and (iii) Property Development.

Stamford Green (the “**Property**”) was acquired under the Property Investment segment. One of the factors taken into consideration by the management in determining whether an asset is a core asset, is the current and potential contribution of the asset to the Company’s revenue.

The Property, has since the expiry of the lease with Chevron Australia Pty Ltd on 15 April 2020, continues to remain more than 90% vacant due to the challenging leasing conditions in Perth, Australia. It therefore no longer contributes materially to the Company’s revenue.

The 8 Finsbury Circus property (which was also acquired under the Property Investment segment) was deemed a core asset as its acquisition was evaluated to position the Group for at least 13 years of multi-let tenancy revenue. *One of the reasons for the acquisition of 8 Finsbury Circus* was to cushion the impact of the near-term loss of recurring income from the Property, as announced in the Company’s annual report for FY2020.

For the abovementioned reasons, and in particular, the Property’s position within the Group’s Property Investment segment, the Property as at the date of the Waiver application and the SGX Announcement:

- (i) is not critical to the real estate business activity of the Company;
- (ii) is ancillary to the real estate business activity of the Company; and

- (iii) will not be considered as an asset which forms part of the Company's existing principal business, if considered using the principles provided at paragraph 2.4, Practice Note 10.1 of the Mainboard Listing Rules.

2. Query:

"Please provide details who the ultimate owners of Redhill Partners Investment Pty Ltd are. Please confirm whether any of the shareholders, directors or key management of the Purchaser or their associated are connected or affiliated to the Company's substantial shareholders, directors or management and/or their associates."

Response:

As far as the Company is aware:

- a. the ultimate owners of the Purchaser, Redhill Partners Investment Pty Ltd, are Redhill Holdings Ltd and 181 Investment Group Ltd, both companies of which are incorporated in the British Virgin Islands; and
- b. the Company's substantial shareholders, directors or management and/or their associates are not connected or affiliated to the shareholders, directors or key management of the Purchaser.

As disclosed in the SGX Announcement, as far as the Company is aware, no Director or controlling shareholder of the Company has any interest, direct or indirect, in the Divestment (other than through their respective shareholdings in the Company, if any).

BY ORDER OF THE BOARD

LEE LI HUANG
Company Secretary
11 January 2021