

CORTINA HOLDINGS LIMITED

(Company Registration No.: 197201771W)

(Incorporated in the Republic of Singapore)

Proposed Acquisition of Property

known as

15 Scotts Road #04-01, #04-02, #04-03, #04-04, #04-05, #04-06, #04-07, #04-08, #04-09, #04-10,
#04-11, #04-12 and #04-13

1. INTRODUCTION

Our Board of Directors (“**our Board**”) wishes to announce that we (also, “**our Company**”; and together with our subsidiaries, “**our Group**”) have been granted an option to purchase (the “**Option**”) the property known as 15 Scotts Road #04-01, #04-02, #04-03, #04-04, #04-05, #04-06, #04-07, #04-08, #04-09, #04-10, #04-11, #04-12 and #04-13 on Lot U402N of Town Subdivision 25 (the “**Property**”) from Singapore Institute of Management Group Limited (the “**Vendor**”) (the “**Proposed Acquisition**”).

2. INFORMATION ON PROPERTY

The Property is the entire fourth level of 15 Scotts Road, Singapore 228118 (save for common area). The Property is an estate in fee simple totalling 1,276 sqm.

3. PRINCIPAL TERMS

The principal terms of the Option are as follows:

- (a) The price for the Property is S\$49,000,000/- (excluding goods and services tax (“**GST**”)) (the “**Purchase Price**”).
- (b) The Purchase Price has been or will be satisfied in cash as follows:
 - (i) S\$490,000/- (the “**Option Fee**”), being 1% of the Purchase Price, has been paid in consideration of the Vendor granting us the Option;
 - (ii) S\$1,960,000, being 5% of the Purchase Price less the Option Fee (the “**Second Payment**”), together with GST of S\$171,500, will be paid by us upon our exercising the Option; and
 - (iii) the remaining amount of the Purchase Price together with GST, will be paid by us on the date of completion, being 1 December 2022 (the “**Completion Date**”).
- (c) The Option may be exercised by us by signing the Option and delivering the Option and the Second Payment (together with GST) to the Vendor by 4:00 p.m. on 14 October 2022.

- (d) The Property will be sold subject to *The Law Society of Singapore's Conditions of Sale 2020* (the "**Conditions of Sale**") in so far as the same are applicable to a sale by private treaty save that the parties have agreed that Condition 5.2 of the Conditions of Sale shall not apply to the Option.
- (e) The Property is sold subject to existing tenancies (collectively, the "**Tenancy Agreements**"). The Vendor shall assign its rights under the Tenancy Agreements to us and the security deposits under the Tenancy Agreements shall also be transferred to us on completion. However, if all or any part of the Property falls vacant on or before the Completion Date, we shall accept vacant possession of the Property or such part thereof.

4. RATIONALE FOR PROPOSED ACQUISITION

Currently, our Group's offices in Singapore operate from leased premises, some of which leases would terminate in the near term. We also envisage organic growth of our Group in the near term which in turn would increase our Group's requirement for office space. Instead of renting such office space, we have been considering acquiring the same. The Property would be able to satisfy our Group's need for office space in the near term when the existing tenancies to which the Property is subject terminate at the end of their terms.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1 General

- (a) For illustrative purposes only, the *proforma* financial effects of the Proposed Acquisition as set out below are prepared based on our audited full year financial results for the period ending 31 March 2022 ("**FY2022**") and subject to the following key assumptions:
- (i) the effect of the Proposed Acquisition on our Group's net tangible assets ("**NTA**") per share is based on the assumption that the Proposed Acquisition had been effected at the end of FY2022; and
 - (ii) the effect of the Proposed Acquisition on our Group's earnings per share ("**EPS**") is based on the assumption that the Proposed Acquisition had been effected at the beginning of FY2022.
- (b) The financial effects as set out below are strictly for illustrative purposes only and are therefore not necessarily indicative of the future financial position and earnings of our Group.

5.2 NTA

	Before Proposed Acquisition	After Proposed Acquisition
NTA (S\$'000)	313,613	313,946
Number of shares (excluding treasury shares) ('000)⁽¹⁾	165,578	165,578
NTA per share (cents)	189	190
Note 1: Calculated based on 165,578,415 ordinary shares as at the date of this Announcement (excluding treasury shares and subsidiary holdings).		

5.3 EPS

	Before Proposed Acquisition	After Proposed Acquisition
Profit after taxation attributable to shareholders (\$'000)	68,763	69,096
Weighted average number of shares (excluding treasury shares) ('000) ⁽¹⁾	165,578	165,578
EPS (cents)	41.5	41.7
Note 1: Calculated based on 165,578,415 ordinary shares as at the date of this Announcement (excluding treasury shares and subsidiary holdings), taking into consideration the profit and loss impact comparing the related expenses of owning the Property against rental savings.		

6. RELATIVE FIGURES UNDER RULE 1006

Based on FY2022, the relative figures in relation to the Proposed Acquisition computed on the bases as set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with our Group's net asset value.	Not applicable.
(b)	Net profits attributable to the assets acquired compared with our Group's net profits. ⁽¹⁾	0.5%
(c)	Aggregate value of the consideration given compared with our Company's market capitalisation based on the total number of issued shares excluding treasury shares. ⁽²⁾	7.4%
(d)	Number of equity securities issued by us as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable. Purchase Price to be settled in cash; and no equity securities will be issued.
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of our 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 assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable
Note 1: Calculated based on net impact on profit and loss taking account of related expenses of owning the Property against rental savings.		
Note 2: Our Company's market capitalisation of approximately S\$662.3 million is based on our total number of 165,578,415 issued ordinary shares and the volume weighted average price of S\$4/- per share on 29 September 2022, being the last traded market day prior to the date of the Option.		

Based on the relative figures under Rule 1006 of the Listing Manual, the Proposed Acquisition constitutes a disclosable transaction and shareholders' approval is not required for the Proposed Acquisition.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, Chief Executive Officer, controlling shareholders of our Company or their associates have any interest, direct or indirect, in the Proposed Acquisition.

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of our Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between our Company and any such person.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Our directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement. Each of our Directors confirm that, after making all reasonable enquiries, to his best of knowledge and belief, this Announcement constitutes full and true disclosure of all material facts of the Proposed Acquisition, and our Group and our Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

10. DOCUMENTS FOR INSPECTION

A copy of the Option and the Conditions of Sale is available for inspection during normal business hours at 391B Orchard Road #18-01, Ngee Ann City Tower B, Singapore 238874 for 3 months from the date of this Announcement.

11. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in our shares. There is no certainty or assurance that the Proposed Acquisition will be completed. We will make the necessary announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Acquisition. Shareholders are advised to read this Announcement and any further announcements by us carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Mr Lim Keen Ban
Executive Chairman
4 October 2022