
ACQUISITION OF PROPERTY BY JOINT VENTURE COMPANY

Reference is made to the announcements dated 19 November 2019 and 10 December 2019 (the “Announcements”) in relation to the establishment of joint venture and capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements, unless otherwise defined.

Update on Capital Contribution

The Board wishes to announce that the Group’s subsidiary, WPS KB and together with its JV Partner had each contributed in equal proportions of fifty (50) percent towards the increase in the paid-up ordinary share capital of the JV Company. In accordance with the Joint Venture Agreement entered between WPS KB, the JV Partner and the JV Company, each of WPS KB and the JV Partner had contributed an additional S\$499,999 to the issued and paid up ordinary share capital of the JV Company on 11 December 2019 (the “**Capital Contribution**”).

Pursuant to the Capital Contribution, the issued and paid up ordinary share capital of the JV Company increased from S\$2 comprising 2 ordinary shares to S\$1,000,000 comprising 1,000,000 ordinary shares. WPS KB had funded its proportion of the Capital Contribution through internal sources of funding. The Capital Contribution is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 30 September 2020.

Update on the Acquisition of the JV Property

The property to be acquired by the JV Company (the “**JV Property**”) is a JTC industrial property located at 202 Kallang Bahru Singapore 339339 which has a gross floor area of 20,465.3 square meters and a remaining tenure of more than 20 years. The JV Property is intended to be managed by the Group and used for self-storage with automated retrieval cum logistics activities and ancillary office.

On 25 October 2019, JTC has granted in-principle approval to the sale of the JV Property by HSBC Institutional Trust Services (Singapore) Limited as trustee of Ascendas Real Estate Investment Trust (the “**JV Property Seller**”) to the JV Company, subject to the terms and conditions imposed on the JV Property Seller and the JV Company (the “**Acquisition**”).

On 20 November 2019, the JV Company had signed a non-binding Letter of Intent with the JV Property Seller and paid a sum of S\$170,000, being the amount equivalent to 1% of the purchase price of the property (the “**Earnest Fee**”).

The Board wishes to announce that the JV Company has on 7 January 2020 entered into a sale and purchase agreement (“**JV Property SPA**”) with the JV Property Seller for the Acquisition at a purchase consideration of S\$17 million plus GST (the “**JV Property Purchase Price**”). The Group has determined the purchase price by considering, among others, the remaining leasehold life, the potential of the property and the prevailing market prices of properties of similar nature available in the nearby area. Pursuant to the JV Property SPA, the completion date of the sale is expected to be on 14 February 2020 or the date falling fourteen (14) days after receipt of JTC’s final confirmation that it has no objections to the execution of the instrument of transfer of the JV Property in favour of the JV Company, whichever is later or as mutually agreed.

As at the date of signing the JV Property SPA, the JV Company is required to pay a sum of S\$1,530,000, equivalent to 9% of the JV Property Purchase Price (together with the Earnest Fee, the “**Deposit**”) and S\$119,000, being GST on the Deposit. The balance of the consideration of S\$15,300,000 plus GST will be paid upon completion of the Acquisition. The JV Property Purchase Price would be satisfied through bank borrowings and the JV Company’s internal resources which will be funded by its shareholders in equal proportions. The Acquisition is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 30 September 2020.

The Company will update shareholders in due course if there are further material developments in connection to the Acquisition and the activities of the JV Company.

None of the Directors or controlling shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the abovementioned transactions (other than through their interests in the shares of the Company).

By Order of the Board

Lim Lung Tieng
Executive Chairman and Group Managing Director
7 January 2020