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## Issuer & Securities

**ASSET ACQUISITIONS AND DISPOSALS::SALE OF GENERAL STORAGE COMPANY PTE. LTD.**

SINGAPORE POST LIMITED

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### Securities

SINGAPORE POST LIMITED - SG1N89910219 - S08

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## Announcement Details

### Announcement Title

Asset Acquisitions and Disposals

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### Announcement Sub Title

Sale of General Storage Company Pte. Ltd.

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### Announcement Reference

SG210902OTHRHQMO

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### Submitted By (Co./ Ind. Name)

Linda Hoon Siew Kin (Ms)

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### Designation

Group Company Secretary

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### Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

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## Attachments

[SGXAnnc.pdf](#)

Total size =147K MB

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**SINGAPORE POST LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199201623M)

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**ENTRY INTO A SALE AND PURCHASE AGREEMENT RELATING TO THE SALE OF  
GENERAL STORAGE COMPANY PTE. LTD. AND ITS SUBSIDIARIES**

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**1. INTRODUCTION**

Singapore Post Limited (the “**Company**”, together with its subsidiaries, the “**SingPost Group**”) wishes to announce that its wholly-owned subsidiary, SingPost Investments Pte. Ltd. (the “**Vendor**”), has on 2 September 2021 entered into a sale and purchase agreement (the “**SPA**”) with TRIFORCE INVESTMENTS PTE. LTD. (the “**Purchaser**”), pursuant to which the Vendor shall sell the entire issued and paid-up share capital of General Storage Company Pte. Ltd. (“**GSC**”) to the Purchaser (the “**Proposed Disposal**”).

**2. INFORMATION ON THE PURCHASER**

The Purchaser is a private company incorporated in Singapore and is a wholly-owned subsidiary of Mitsuuroko Group Holdings Co., Ltd, a company incorporated in Japan and listed on the Tokyo Stock Exchange.

**3. GSC AND ITS SUBSIDIARIES**

GSC and its subsidiaries (the “**GSC Group**”) are mainly involved in the business of providing warehousing, storage, and logistics services.

**4. SALIENT TERMS OF THE AGREEMENT**

**4.1. Consideration of the Proposed Disposal**

The estimate aggregate cash consideration for the Proposed Disposal will be S\$85.1 million (the “**Consideration**”) before transaction costs and is subject to net working capital and net debt adjustments as at the completion date.

The Consideration was mutually arrived at after arms’ length negotiations between the Vendor and Purchaser on a willing-seller and willing-buyer basis after taking into consideration, *inter alia*, the discounted future cashflows of the business from its portfolio of owned and leased properties with adjustments for levels of debt, cash and working capital as at the day of Completion (defined hereinafter) of the SPA. The Consideration will be paid by the Purchaser to the Vendor in cash without any deduction or set-off.

The latest valuation of the GSC Group (the “**Valuation Report**”) as at 31 March 2021, commissioned by the Company, values the GSC Group between S\$77 million and S\$91 million. The valuation is based on the income approach of different scenarios, and is the sum of estimated annual after-tax free cash flows of the business in the respective scenarios, discounted to their present.

## 4.2. Principal Terms of the SPA

Completion of the Proposed Disposal is conditional upon, *inter alia*, the Vendor procuring certain approvals from the GSC Group's lessors and the Purchaser's holding company obtaining requisite approval under the prevailing Tokyo Stock Exchange rules.

Under the SPA, completion of the Proposed Disposal is to take place 15 business days after the last in time of the conditions precedent to completion has been satisfied or waived ("**Completion**"). Completion of the Proposed Disposal is expected to take place on 15 October 2021. Upon Completion of the Proposed Disposal, GSC and its subsidiaries will no longer be part of the SingPost Group.

SingPost Group's nominee directors will also step down at Completion.

## 5. FINANCIAL INFORMATION

### 5.1 Relative figures for the Proposed Disposal under Chapter 10 of the Mainboard Rules

The Proposed Disposal is a discloseable transaction for the Company as defined in Chapter 10 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited. The relative figures for the Proposed Disposal computed on the applicable bases set out in Rule 1010 of the Listing Manual are as follows:

Rule 1006	Relative Bases	GSC Group	SingPost Group	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the SingPost Group as at 31 March 2021 (" <b>FY2021</b> ")	S\$78.1 million	S\$1,671.4 million	4.7
(b)	The net profits attributable to the assets acquired or disposed of, compared with the SingPost Group's net profits for FY2021	S\$2.6 million	S\$60.3 million	4.3
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares as at signing of SPA date	S\$85.1 million	S\$1,478.4 <sup>1</sup> million	5.8
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable		
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the SingPost Group's proved and probable reserves	Not applicable		

<sup>1</sup> Calculated by multiplying the Company's number of shares in issue (excluding treasury shares) of 2,249,578,103, by the weighted average price of S\$0.6572 per share transacted on 1 September 2021, being the market day preceding the date of the SPA.

As the relative figures under Rules 1006(c) exceeds 5%, but does not exceed 20%, the Proposed Disposal is a “discloseable transaction” for the purposes of Chapter 10 of the Listing Manual which does not require the approval of the shareholders of the Company at a general meeting.

## 5.2 Illustrative Financial Effects

The financial effects of the Proposed Disposal on the SingPost Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the SingPost Group immediately after completion of the Proposed Disposal. They are prepared based on latest announced full year audited consolidated financial statements of the SingPost Group, FY2021, being the most recently completed financial year.

### 5.2.1 Net Tangible Assets ('NTA')

For illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 March 2021, the pro forma financial effects of the Proposed Disposal on the NTA of the SingPost Group are as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Consolidated NTA (S\$'000s)	1,356,891	1,394,408
Number of shares in issue (excl. treasury shares)	2,249,578,103	2,249,578,103
Consolidated NTA per Share (cents)	60.3	62.0

### 5.2.2 Earnings Per Share ('EPS')

For illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 April 2020, the pro forma financial effects of the Proposed Disposal on the EPS of the SingPost Group are as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net profit attributable to equity shareholders of the Company (S\$'000s)	47,620	46,448
Less: Net profit attributable to perpetual securities holders of the Company (S\$'000s)	(14,875)	(14,875)
Net profit attributable to ordinary shareholders of the Company (S\$'000s)	32,745	31,573
Weighted average number of ordinary shares	2,249,578,103	2,249,578,103
EPS – Basic and Diluted (cents)	1.46	1.40

## **6. RATIONALE OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS**

The Proposed Disposal is consistent with SingPost Group's strategy of recycling capital by divesting non-core assets. The Proposed Disposal is estimated to result in a gain of approximately S\$6 million<sup>2</sup> after transaction costs. The proceeds would be redeployed towards enabling the SingPost Group to continue executing its transformation initiatives and reposition itself for long term, sustainable growth.

## **7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal.

## **8. DIRECTOR'S SERVICE CONTRACTS**

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

## **9. DOCUMENTS FOR INSPECTION**

Copies of the SPA and the Valuation Report are available for inspection during normal business hours at the Company's registered office at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600, for three (3) months from the date of this announcement.<sup>3</sup>

Issued by Singapore Post Limited on 2 September 2021.

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<sup>2</sup> Before considering effect of transfer of fair value reserve directly to retained earnings.

<sup>3</sup> Prior appointment with the Company will be appreciated. Please provide at least (2) working days' notice to the following email address: [sp\\_cosec@singpost.com](mailto:sp_cosec@singpost.com) so that the relevant logistic arrangements can be arranged.