

**CORTINA HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 197201771W)

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**DISPOSAL OF UNITS IN THE ADELPHI, 1 COLEMAN STREET (#05-11B & 17)  
SINGAPORE 179803 (THE "PROPERTIES") PURSUANT TO THE GENERAL  
MANDATE (THE "DISPOSAL")**

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The Board of Directors of Cortina Holdings Limited (the "Company", and together with its subsidiaries, collectively the "Group") wishes to announce that the Company had on 11 November 2014 granted an Option to Purchase (the "Option") in respect of the Properties.

The Option was granted pursuant to the General Mandate obtained from Shareholders at the Extraordinary General Meeting of the Company held on 30 July 2013. The terms of the General Mandate are more particularly set out in Section 4 of the Circular to Shareholders dated 15 July 2013 (the "Circular"). Unless the context requires otherwise, the terms used in this Announcement shall have the same meaning as in the Circular.

In accordance with the terms of the General Mandate, the following disclosures are provided pursuant to Rule 1010 of the Listing Manual:

**1. Particulars of the Properties**

The Properties, namely 1 Coleman Street, #05-11B & 17, Singapore 179803 being Strata Lots TS10-U1801K & TS10-U1798V, are comprised in Subsidiary Strata Certificates of Title Vol 840 Folio 104 and Vol 840 Fol 101. The Properties are not tenanted.

**2. Particulars of the Purchaser**

The Option has been granted to The Trustees of The Singapore Retailers Association, UEN No. S77SS0005G, a society registered with the Registry of Societies in Singapore and having its registered office at 371 Beach Road, #02-04/05, Keypoint, Singapore 199597 (the "Purchaser") and/or its nominees. The Purchaser is not a Substantial Shareholder or a Controlling Shareholder of the Company, or an Associate of a Substantial Shareholder, Controlling Shareholder, a Director or the CEO of the Company.

**3. Value of the consideration and factors taken into account.**

3.1 The Sale Price of the Properties is S\$5,718,300 excluding goods and services tax. The Sale Price was arrived at on a "willing buyer-willing seller" basis and took into account the factors set out in the General Mandate, namely:

- (a) the valuations of the Properties as set out in the valuation certificates from

Colliers and DTZ. In this regard the Sale Price of the Properties was approximately 7% less than the market valuation by Colliers of S\$6,130,000 and approximately 6% less than the market valuation by DTZ of S\$6,100,000. The Company did not commission any further valuation of the Properties since the market valuations obtained from Colliers and DTZ in connection with the Circular;

- (b) the book value of the Properties. In this regard, the Sale Price of the Properties was at a 17% premium to its book value as at 30 October 2014;
- (c) the prevailing property market conditions at the time of grant of the Option. In this regard, the Sale Price was based on the prevailing property market conditions at the time of grant of the Option;
- (d) the potential cost savings to the Company from the Sale of the Properties, taking into account the holding costs of delaying the sale of the Properties against any potential gains from being able to secure a better Sale Price at a later date. In this regard, the Board had taken into account the holding costs of the Properties from the date the General Mandate was granted up to the date of the Option (amounting to approximately S\$166,445 comprising depreciation, interest expense, premise service cost and property tax) against the prospects of being able to secure a better Sale Price in a softening property market; and
- (e) the particular circumstances relevant to each such sale including the relative bargaining positions and commercial objectives of the respective parties, and the risk allocations which are negotiated between the parties in the Sale Conditions. The Sale Conditions were negotiated on arms-length commercial terms.

3.2 The Board is of the view that the Sale Price was the most favourable Sale Price and was the highest value available to the Company after taking into account all relevant considerations, in the best interest of the Company. The Net Disposal Proceeds upon the completion of the sale of the Properties (which are estimated to be approximately S\$5,629,176) will be greater than its Acquisition Cost.

#### **4. Satisfaction of consideration, terms of payment, and material conditions.**

4.1 The Sale Price shall be paid in the following manner:

- (a) An Option Fee of S\$57,183 (equal to 1% of the Sale Price) has been paid to the Company on the grant of the Option;
- (b) A sum of S\$228,732 shall be paid to the Company upon the acceptance of the Option (equal to 4% of the Sale Price); and

- (c) The balance of the Sale Price being the sum of S\$5,432,385 (equal to 95% of the Sale Price) shall be paid on completion of the sale of the Property.

The sum of S\$285,915 (being the aggregate of the Option Fee and the sum payable upon the acceptance of the Option) shall constitute the Deposit.

4.2 The Option must be exercised by 25 November 2014 at 4 p.m. ("Option Expiry Date") failing which it shall lapse and the Option Fee shall be forfeited by the Company. If the Option is accepted by the Option Expiry Date, completion of the sale and purchase of the Properties shall take place on 23 February 2015. The Properties are sold on an "as is" basis and with vacant possession to be delivered on completion.

## 5. Rationale for the Disposal and use of proceeds

The rationale for the Disposal and use of proceeds is as set out in Section 3 of the Circular, namely to reduce the Group's bank borrowings and strengthen the Group's working capital position, so as to better position the Group to take advantage of new business opportunities.

## 6. Financial Effects

The financial effects of the Disposal on the NTA and EPS of the Group, based on the last audited consolidated financial statements of the Group as at 31 March 2014, are set out below.

### 6.1 NTA

Based on the Sale Price for the Properties and assuming that the Disposal had been completed on 31 March 2014, the effect on the NTA of the Company is as follows:

	NTA attributable to owners of the Company as at 31 March 2014 (S\$)	Number of issued Shares as at 31 March 2014	NTA per Share (Cents)
Before the Disposal	140,501,000	165,578,415	84.9
After the Disposal	141,259,169	165,578,415	85.3

## 6.2 EPS

Based on the Sale Price for the Properties and assuming that the Disposal had been completed on 1 April 2013, the effect on the EPS of the Company is as follows:

	Profit attributable to owners of the Company for the year ended 31 March 2014 (S\$)	Number of issued Shares as at 31 March 2014	Earnings per Share (Cents)
Before the Disposal	18,368,000	165,578,415	11.1
After the Disposal <sup>(1)</sup>	19,236,539	165,578,415	11.6

Note:

(1) the increase in Profit of S\$868,539 is equal to the sale proceeds of the Property of S\$5,718,300 less the net book value as at 31 March 2014 of S\$4,871,007 and all incidental expenses relating to the sales including agency commission and professional fees, and adding back such expenses as interest, service fee and property tax.

## 6.3 Excess over book value and gain on disposal

Based on the Sale Price for the Properties, the excess of proceeds over their book value and gain on disposal would be as follows:

Sale Price (S\$)	Book value (as at October 2014) (S\$)	Excess of proceeds over book value (S\$)
5,718,300	4,871,007	847,293

## 7. Relative figures computed on the bases in Rule 1006 of the Listing Manual

Based on the latest announced consolidated unaudited financial statements of the Group as at 30 September 2014, the relative figures computed on the bases in Rule 1006 of the Listing Manual are as follows:

	Disposal
Rule 1006(a)	
a) The net asset value of the assets to be disposed of	S\$4,871,007
b) The Group's net asset value	S\$149,157,000
c) Ratio	3.3%
Rule 1006(b) <sup>(1)</sup>	
a) The net loss attributable to the assets disposed of	S\$(55,185)
b) The Group's net profits	S\$7,444,000
c) Ratio	not meaningful
Rule 1006(c) <sup>(2)</sup>	
a) The aggregate value of consideration received	S\$5,718,300
b) The Company's market capitalisation <sup>(2)</sup> based on the total number of Shares excluding treasury shares (if any)	S\$132,462,732
c) Ratio	4.3%

**Notes:**

- (1) Net loss attributable to the Properties in the Disposal comprised interest expense, service fee and property tax. The Properties were vacant.
- (2) For the Disposal these figures were arrived at by dividing the Sale Price by market capitalisation of the Company as at 10 November 2014, the market day preceding the date the Option was granted.

## **8. Directors' Service Contracts**

No Directors are proposed to be appointed to the Company in connection with the Disposal. Accordingly there are no service contracts to be entered into.

## **9. Interests of Directors and Controlling Shareholders**

Save for the shareholdings in the Company, none of the Directors or the Controlling Shareholders of the Company or Associates of such Directors or Controlling Shareholders has any interest, direct or indirect, in the Disposal.

## **10. Documents for inspection**

A copy of the Option and the Circular are available for inspection during normal business hours at the registered office of the Company at 391B Orchard Road #18-01 Ngee Ann City, Singapore 238874 for three months from the date of this announcement.

### **By Order of the Board**

Mr Lim Keen Ban, Anthony  
Chairman and Chief Executive Officer

13 November 2014