

ASX RELEASE

24 January 2019

UPDATE ON SALE OF SINGAPORE PROPERTY

Spicers Limited ("Spicers") announces that, further to previous announcements on the sale of Spicers Asian Operations⁽¹⁾, Spicers Paper (Singapore) Pte Ltd has now entered into an agreement with HLS Property Pte. Ltd. ("HLS Property") for the sale of the property at 3 Gul Crescent, Singapore 629519 ("the Singapore Property").

A value of SGD 10.1 million has been agreed between the parties for sale of the Singapore Property. Under the terms of the agreement for the sale of Spicers Asian Operations⁽¹⁾, Spicers is entitled to receive net proceeds from the sale of the Singapore Property (expected to be approximately SGD9.9 million) as deferred consideration.

The agreement for the sale of the Singapore Property is subject to the satisfaction of certain conditions, including approval for the sale and change of use of the property by the Jurong Town Corporation ("JTC"), and final approval from the ultimate parent company of HLS Property⁽²⁾ following approval being granted by the JTC.

It is currently expected that JTC approval will be received in mid-April 2019, with final completion and the receipt of net property sale proceeds by Spicers to then follow in early June 2019. Once received these net sale proceeds would form part of a return of capital to be proposed to shareholders under the proposed transaction between Spicers and Kokusai Pulp & Paper Co., Ltd⁽³⁾. Spicers will update the market on any developments accordingly.

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About Spicers Limited (SRS)

Spicers is a dynamic and solutions-focused distribution business with an extensive network in the geographies we serve. We offer a full suite of products and services to our customers, incorporating commercial print, digital media, label & packaging, industrial packaging, sign & display consumables and hardware, and architectural offerings.

(1) The Asian operations of Spicers consisted of operating subsidiaries in Malaysia (Spicers Paper (Malaysia) Sdn Bhd), and Singapore (Spicers Paper (Singapore) Pte Ltd). Spicers entered into an agreement to sell these operations to Japan Pulp & Paper Co. Ltd on 26 September 2018. Please refer to Spicers ASX announcements on 26 September 2018 and 27 November 2018 for further details on the transaction, which completed as expected on 11 December 2018.

(2) Enviro-Hub Holdings Ltd, a Company listed on the Singapore Exchange (SGX).

(3) As detailed in an ASX announcement on 17 January 2019, Spicers has entered into a binding Scheme Implementation Deed with Kokusai Pulp & Paper Co., Ltd. ("KPP"), under which KPP would acquire all of the shares in Spicers pursuant to a Scheme of Arrangement ("the Scheme"). In conjunction with the Scheme, Spicers will propose a return of capital to shareholders.