

ASX RELEASE

14 May 2019

UPDATE ON SALE OF SINGAPORE PROPERTY

Spicers Limited (“Spicers”) announces that, further to previous announcements on the sale of Spicers Asian Operations⁽¹⁾ and the Singapore Property⁽²⁾, the Jurong Town Corporation (“JTC”) has now provided written consent for the sale and change of use of the Singapore Property. Under this consent, an environmental ‘baseline’ soil survey required by JTC will be finalised within the next few weeks as a post-completion item. HLS Property Pte. Ltd. has also received approval from its ultimate parent company⁽³⁾ to proceed.

As a result, completion of the sale of the Singapore Property will take place as planned in early June 2019. A gross sale value of SGD 10.1 million is agreed between the parties, of which SGD 0.3 m will be held in escrow until the finalisation of the environmental ‘baseline’ soil survey.

Under the terms of the agreement for the sale of Spicers Asian Operations, Spicers will receive, as deferred consideration, the net proceeds from the sale of the Singapore Property. These net sale proceeds of approximately SGD 9.9 m, subject to release of the escrow retention under the property sale contract, are expected to be received during June 2019.

Once received, these net sale proceeds will form part of a return of capital to be proposed to shareholders under the proposed transaction between Spicers and Kokusai Pulp & Paper Co., Ltd⁽⁴⁾. Spicers will update the market on any further 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 on 11 December 2018.

(2) As detailed in an ASX announcement on 24 January 2019, Spicers Paper (Singapore) Pte Ltd entered into an agreement with HLS Property Pte. Ltd. for the sale of the property at 3 Gul Crescent, Singapore 629519 (“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 as deferred consideration.

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

(4) 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.