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Acquisitions and Disposals :: Non-Mandatory Disclosure :: PROPOSED ACQUISITION OF 100% INTEREST IN TRAVELEX HONG KONG LIMITED

* Asterisks denote mandatory information


Name of Announcer *	WESTMINSTER TRAVEL LIMITED
Company Registration No.	200814792H
Announcement submitted on behalf of	WESTMINSTER TRAVEL LIMITED
Announcement is submitted with respect to *	WESTMINSTER TRAVEL LIMITED
Announcement is submitted by *	Henry Chu Tak Shun
Designation *	Finance Director
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>> Announcement Details

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Announcement Title *	PROPOSED ACQUISITION OF 100% INTEREST IN TRAVELEX HONG KONG LIMITED
Description	Please see attached.

Attachments

 [Acqn-TravelexHK-221211.pdf](#)
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WESTMINSTER TRAVEL LIMITED
(Company Registration No.: 200814792H)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF 100% INTEREST IN TRAVELEX HONG KONG LIMITED

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Westminster Travel Limited (the “**Company**” together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiaries, Westminster Travel Limited, which was incorporated in Hong Kong (“**Westminster HK**”) and Profit Shine Holdings Limited, which was incorporated in the British Virgin Islands (“**Profit Shine**”) on 21 December 2011 entered into a conditional share purchase agreement (the “**Agreement**”) with Travelex Holding (HK) Limited (the “**Vendor**”) (Westminster HK, Profit Shine and the Vendor collectively, the “**Parties**” and each a “**Party**”), pursuant to which Profit Shine will acquire from the Vendor 2,100,000 ordinary shares and 360,000 redeemable preference shares of Travelex Hong Kong Limited (“**THK**”) (the “**Sale Shares**”), for a total cash consideration of HKD79 million (the “**Proposed Acquisition**”). The Sale Shares represent the entire issued and paid-up share capital of THK. Upon completion of the Proposed Acquisition, THK will become a wholly-owned subsidiary of the Company.

2. INFORMATION ON THE VENDOR

The Vendor is the immediate holding company of THK and is the current sole legal and beneficial owner of the Sale Shares. The Vendor, in turn, is ultimately wholly owned by Travelex Holdings Limited, a company incorporated in England and Wales and the holding company of the Travelex Group. Travelex Holdings Limited is itself majority controlled by funds advised by Apax Partners, with founder, Mr Lloyd Dorfman holding a 28 percent interest in Apax Partners.

Cameron Michael Hume (“**Mr Hume**”) and Wan Wai Loon (“**Mr Wan**”) are the current directors of THK and are not related to the Directors and controlling shareholders of the Company. Further, neither Mr Hume nor Mr Wan are presently shareholders of the Company.

3. INFORMATION ON THK

THK was incorporated in Hong Kong on 3 August 1984 and has an issued and paid-up share capital of HKD21 million comprising 2,100,000 ordinary shares of HKD10.00 each and HKD3.6 million comprising 360,000 redeemable preference shares of HKD10.00 each.

THK is principally involved in the provision of travel management and reservation services to corporate customers covering a range of travel products such as air tickets, hotel accommodation, car rental, railway tickets, travel insurance and visa applications as well as the provision of travel arrangement services for the meetings, incentives, conferences and exhibitions (MICE) tourism segment. THK’s business is wholly in Hong Kong.

Upon completion of the Proposed Acquisition, the Company will nominate and appoint a new board of directors to THK but maintain its key management team.

4. SALIENT TERMS OF THE AGREEMENT

4.1 The Proposed Acquisition

Subject to the terms and conditions of the Agreement, the Vendor shall sell and Profit Shine shall purchase, the entire legal and beneficial ownership in the Sale Shares, free from all encumbrances and with all rights attaching thereto as at the date of completion (the "**Completion Date**") of the Proposed Acquisition ("**Completion**"). The long stop date for the Proposed Acquisition is 31 March 2012 (the "**Long Stop Date**").

4.2 Purchase Consideration

Subject to the terms and conditions of the Agreement, the Parties have agreed that the purchase consideration for the Proposed Acquisition (the "**Consideration**") is HKD79 million (or approximately S\$13.1 million based on an exchange rate of S\$1.00:HKD6.02) as at 21 December 2011 (the "**Exchange Rate**"). The Consideration was arrived at on a willing-buyer willing-seller basis after arm's length negotiations and is based on the determination and agreement that the net tangible assets of THK shall be HKD25 million (or approximately S\$4.2 million based on the Exchange Rate) ("**NTA**").

Under the terms and conditions of the Agreement, the Consideration shall be payable to the Vendor in cash in the following manner:-

- (a) 80% of the Consideration, being HKD63.2 million (or approximately S\$10.5 million based on the Exchange Rate), shall be paid to the Vendor on Completion Date; and
- (b) 20% of the Consideration ("**Escrow Amount**"), being HKD15.8 million (or approximately S\$2.6 million based on the Exchange Rate), shall be deposited on Completion Date into a bank account to be opened and operated jointly by Profit Shine and the Vendor solely for the purpose of the Proposed Acquisition. The Escrow Amount shall be released to the Purchaser in accordance with an agreed schedule which relates to the settlement of outstanding accounts receivable of THK.

The Consideration will be funded by the Group's internal resources.

4.3 NTA Adjustment Following Completion (If Applicable)

Following Completion and upon the receipt of, amongst others, a statement prepared by THK's accountants regarding the NTA as at the time immediately before the Completion Date ("**Effective Time**"), an adjustment by way of a cash payment either (i) from Profit Shine to the Vendor; or (ii) from the Vendor to Profit Shine, may be made to meet the mutually agreed upon requirement that the net tangible assets of THK be equal to HKD25 million (or approximately S\$4.2 million based on the Exchange Rate) (the "**NTA Adjustment**").

Where the NTA Adjustment involves a cash payment by Profit Shine to the Vendor, such cash payment shall not exceed HKD10 million (or approximately S\$1.7 million based on the Exchange Rate). Where the NTA Adjustment involves a cash payment by the Vendor to Profit Shine, there is no maximum amount for such cash payment.

4.4 Conditions Precedent

Completion is conditional upon the fulfilment or waiver by the Parties of the following on or before the Long Stop Date (or such other date as may be agreed by the Parties):-

- (a) completion of the legal, financial and human resources due diligence exercise into the business and affairs of THK ("**Due Diligence Exercise**") (or waiver thereof) by Profit Shine and Westminster HK to the reasonable satisfaction of Profit Shine and Westminster HK;
- (b) the Registrar of Travel Agents in Hong Kong providing its written approval for the change in ownership or control of THK from the Vendor to Profit Shine and consent from the International Air Transport Association to the change in ownership or control of THK from the Vendor to Profit Shine;
- (c) the Travel Industry Council of Hong Kong providing its written approval for the change in Financial Control (as defined in the Travel Industry Council Membership Terms) of THK from the Vendor to Profit Shine;
- (d) the closure of certain bank accounts held under THK's name; and
- (e) delivery of the audit report by THK's accountants stating the financial statements of THK give a true and fair view of the state of affairs for the financial year ending 31 December 2011.

In the event that the condition precedent as set out in paragraph 4(a) above is not satisfied (and not waived), the Vendor or Profit Shine may by notice in writing to the other Party: (i) waive the condition precedent as set out in paragraph 4(a) above; (ii) request to negotiate with the other Party any amendment to the Consideration having regard to the findings of the Due Diligence Exercise and in which case, the Vendor and Profit Shine shall each have the right to terminate the Agreement without prejudice to any rights of the Parties accruing prior to termination; or (iii) terminate the Agreement without prejudice to any rights of the Parties accruing prior to termination.

Profit Shine or Westminster HK may, in its absolute discretion, waive any of the abovementioned conditions precedent either in whole or in part at any time by notice in writing to the Vendor.

As at the date of this announcement, none of the abovementioned conditions precedent have been fulfilled or waived.

5. RATIONALE FOR THE PROPOSED ACQUISITION

With the aim of further expanding the Group's corporate travel business in Hong Kong, the Group will, via the Proposed Acquisition of THK, further strengthen its market position in the local Hong Kong market, enjoy synergies through the increased corporate clientele, as well as further leveraging on the Company's comprehensive range of travel services.

The Directors of the Company are of the view that there is significant growth potential in the markets that THK serves and the Proposed Acquisition is expected to enhance the Group's revenue stream and financial performance in the future.

The Company intends to change the name of THK as soon as practicable after Completion.

6. REQUIREMENTS OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) (“CATALIST RULES”) IN RELATION TO THE PROPOSED ACQUISITION

For the purposes of Chapter 10 of the Catalist Rules, the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules based on the latest audited consolidated accounts of the Group for the financial year ended 30 June 2011 (“FY2011”) are as follows:-

Rule 1006	Bases of calculation	Size of relative figures (to the nearest 2 decimal places)
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable
(b)	The net profits attributable to the assets acquired compared with the Group’s consolidated net profits	36.00% ⁽¹⁾
(c)	The aggregate value of the consideration given, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares	37.20 % ⁽²⁾
(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 proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves	Not applicable

Notes:-

- (1) Based on the latest audited financial statements of the Company for FY2011 and THK’s profit before tax of HKD17.9 million for the 12-months ended 30 June 2011 which was derived based on the management accounts of THK.
- (2) The Company’s market capitalisation of S\$35.3 million was computed based on the Company’s existing issued share capital of 280 million shares and the volume weighted average price of the Company’s shares of S\$0.126 traded on the SGX-ST on 21 December 2011 (being the date of the Agreement). The aggregate value of the consideration is HKD79 million (or approximately S\$13.1 million based on the Exchange Rate).

Having regard to the above, the Proposed Acquisition constitutes a discloseable transaction pursuant to Rule 1010 of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro-forma financial effects of the Proposed Acquisition on the Group set out below are for illustrative purposes only and are therefore, not indicative of the actual financial performance or position of the Group immediately after Completion. The financial effects set out below have been prepared based on the audited consolidated financial statements of the Group for FY2011 and on the following key assumptions:-

- (i) the effect of the transaction on the earnings per share (“EPS”) of the Group shown below is based on the assumption that the Proposed Acquisition had been effected at the beginning of FY2011, being 1 July 2010; and

- (ii) the effect of the transaction on the consolidated net tangible assets (“**NTA**”) per share of the Group shown below is based on the assumption that the Proposed Acquisition had been effected at the end of FY2011, being 30 June 2011.

7.1 Share Capital

The Proposed Acquisition will have no effect on the issued and paid-up share capital of the Company.

7.2 EPS

The effects of the Proposed Acquisition on the EPS of the Group for FY2011 are as follows:-

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to Shareholders (HKD '000)	39,120	54,020
Number of shares ('000)	280,000	280,000
EPS (HKD cents)	13.97	19.29

Note:-

Based on THK's net profit after tax of HKD14.9 million for the 12-months ended 30 June 2011 which was derived based on the management accounts of THK.

7.3 NTA

The effects of the Proposed Acquisition on the NTA per share of the Company for FY2011 are as follows:-

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (HKD'000)	205,956	151,956
Number of shares ('000)	280,000	280,000
NTA per share (HKD cents)	73.56	54.27

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition (other than through their shareholdings in the Company).

9. DETAILS OF ANY SERVICE CONTRACTS OF THE DIRECTORS PROPOSED TO BE APPOINTED TO THE COMPANY IN CONNECTION WITH THE PROPOSED ACQUISITION

There are no directors who are proposed to be appointed to the board of directors of the Company who are connected with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

11. DOCUMENTS FOR INSPECTION

A copy of the Agreement in respect of the Proposed Acquisition is available for inspection during normal business hours at the registered office of the Company at 36 Robinson Road, #17-01 City House, Singapore 068877 for a period of three (3) months from the date of this announcement.

12. ANNOUNCEMENT

Further announcements on the Proposed Acquisition will be made in due course as and when appropriate.

BY ORDER OF THE BOARD

Henry Chu Tak Shun
Finance Director
22 December 2011

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 0489705, telephone (65) 6229 8088.