

CHUAN HUP HOLDINGS LIMITED
(Company Registration No. 19700572R)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

**1. LOAN AGREEMENT BETWEEN WHOLLY OWNED SUBSIDIARY OF THE COMPANY
AND MAJOR STAR HOLDINGS LIMITED**

**2. AMENDMENT TO EXISTING LOAN AGREEMENTS BETWEEN WHOLLY OWNED SUBSIDIARY
OF THE COMPANY AND PSD HOLDINGS PTE. LTD.**

1. INTRODUCTION

Further to the announcements made by the Company on 21 April 2016 and 30 May 2016, the board of directors (the “**Board**” or the “**Directors**”) of the Company wishes to announce that CH Biovest Pte. Limited (the “**Lender**”), a wholly owned subsidiary of the Company, has today entered into a loan agreement (“**Loan Agreement**”) with Major Star Holdings Limited (the “**Borrower**”) and amended the loan agreements entered into with PSD Holdings Pte. Ltd (“**PSDH**”) dated 24 April 2015 (as amended on 21 April 2016) and 30 May 2016.

The rationale for the Lender’s entry into, and principal terms of, the Loan Agreement and a summary of the amendments to the loan agreements with PSDH are set out below.

2. RATIONALE AND BACKGROUND FOR THE LOAN AGREEMENT

The Lender has entered into the Loan Agreement to optimise returns on its available funds. This is consistent with the overall objective of the Company and its subsidiaries of enhancing shareholder value.

The Borrower is an investment holding company incorporated in the British Virgin Islands and has a 50% interest in PSD Holdings Pte. Ltd. (“**PSDH**”). The Lender had previously disbursed certain loans to PSDH, as announced by the Company on 21 April 2016 and 30 May 2016.

PSDH is the sole shareholder of Pacific Star Development Pte. Ltd (“**PSD**”), a property development company with a special focus to source, evaluate, invest and proactively commit to the planning, development and management of prime development projects in the Asia region. PSD is also the effective owner of various property assets in Malaysia and Thailand.

On 20 May 2016, PSDH had entered into a sale and purchase agreement with LH Group Limited (“**LHG**”) in connection with the sale and transfer of all its shares in PSD to LHG (the “**PSD Shares Sale**”).

Pursuant to the Loan Agreement, the Lender will disburse a loan of US\$14,705,882 (“**Loan**”) to the Borrower on 3 October 2016 (the “**Drawdown Date**”).

3. PRINCIPAL TERMS OF THE LOAN AGREEMENT

A summary of the principal terms of the Loan Agreement is set out below:

- (a) Term: Pursuant to the Loan Agreement, the term of the Loan ("**Term**") commenced on the Drawdown Date and will expire on a day being twenty-four (24) months from the Drawdown Date. The Borrower may extend the Term by another twelve (12) months by serving written notice of such extension no later than one (1) month before the expiry of the Term.
- (b) Interest: The interest on the Loan is 5% per annum, and computed on a non-compounding basis ("**Interest**") and calculated by reference to the outstanding principal amount of the Loan.
- (c) Distribution in satisfaction of the Loan ("**Distribution Clause**"): Upon completion of the PSD Shares Sale, the whole or part of the Loan and all Interest accrued thereto shall be converted into shares in LHG (which shares shall be free from all charges and encumbrances) (the "**Listco Shares**") based on an agreed formula.

If and when the Distribution Clause is triggered, the Company will comply with its obligations under the SGX-ST Listing Manual, if applicable.

4. SECURITIES

In connection with the Loan Agreement:

- (a) the Lender and Borrower have entered into a Deed of Charge dated 30 September 2016 pursuant to which the Borrower has agreed to charge and assign to the Lender all of the Borrower's right, title and interest in:
 - (i) 2,500,001 ordinary shares in the capital of PSDH legally and beneficially owned by the Borrower (the "**Shares**"), being fifty per cent. (50%) of the issued and paid-up ordinary share capital of PSDH; and
 - (ii) all dividends and distributions of any kind and any other sum received or receivable in respect of the Shares; and
- (b) the sole shareholder of the Borrower has executed a Deed of Guarantee dated 30 September 2016 to, *inter alia*, personally guarantee the repayment of the Borrower's obligations under the Loan Agreement if for any reason and at any time the Borrower does not fulfil its obligations under the Loan Agreement or fails to make payment under the Loan Agreement,

(together, the "**Securities**").

5. AMENDMENT OF THE LOAN AGREEMENTS WITH PSDH

The Lender also entered into addendums on 30 September 2016 to amend the Distribution Clauses contained in the loan agreements with PSDH so as to align them with the Distribution Clause set out in the Loan Agreement (the “**Addendums**”).

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for the aforesaid, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Loan Agreement, the Securities and the Addendums, save through their respective shareholdings in the Company, if any.

7. DOCUMENTS AVAILABLE FOR INSPECTION

The Loan Agreement, the Securities and the Addendums are available for inspection during normal business hours at the Company’s registered office for three (3) months from the date of this announcement.

8. UPDATES

The Company will provide further updates where necessary.

By Order of the Board

Valerie Tan May Wei
Company Secretary
30 September 2016