
THE PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE 12% EQUITY STAKE IN CARROS PROJECT MANAGEMENT PTE. LTD.

1. INTRODUCTION

The board of directors ("**Board**") of Enviro-Hub Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into two sale and purchase agreements ("**SPA**") with Mr. Chew Ghim Bok (the "**Purchaser**") in relation to the disposal (the "**Proposed Disposal**") by the Company of 2.4% and 9.6% respectively of its equity interest in Carros Project Management Pte. Ltd. ("**Carros**", together with its subsidiaries, the "**Carros Group**"). The 12% aggregate equity interest represents the Company's entire equity interest in Carros and comprises 120 ordinary shares (the "**Sale Shares**"). The aggregate purchase consideration is S\$24,038,000 (the "**Consideration**").

Following completion of the Proposed Disposal ("**Completion**"), the Company will cease to hold any shares in Carros.

2. THE PROPOSED DISPOSAL AND SALIENT TERMS

2.1 Information on Carros and its shareholders

Carros is a private limited company incorporated in Singapore on 24 July 2012, under a joint venture entered into between the Company and BS Capital Pte. Ltd. ("**BS Capital**") and undertaken through Carros (the "**Joint Venture**")¹.

The principal business activity of Carros is investment holding and real estate activities and as at the date of this announcement, Carros holds shareholding interests in the following companies:

Name of company	Shareholding interests held	Underlying Property
Kranji Development Pte. Ltd.	80%	60 Jalan Lam Huat
BS Bendemeer Pte Ltd	80%	20 Bendemeer Road
BS Pantech Pte Ltd	80%	200 Pandan Loop
BS Mandai Pte Ltd	12%	Vacant land along Woodlands Road, Lot Number 905P MK11

¹ Further details are contained in the Company's announcement released on 30 October 2012.

As at the date of this announcement, Carros has an issued and paid-up share capital of S\$1,000 comprising 1,000 ordinary shares, with its shareholding structure as follows:

Name of shareholder	No. of shares in Carros	Percentage of shareholding in Carros (%)
BS Capital Pte. Ltd. *	845	84.5
Company	120	12.0
Chew Ghim Bok **	35	3.5
Total	1,000	100.0

* Mr. Raymond Ng Ah Hua, a controlling shareholder and the executive chairman of the Company, is currently the sole shareholder and a director of BS Capital Pte. Ltd..

** Mr. Chew Ghim Bok is an existing shareholder of the Company, who holds 3.14% shareholding interests in the Company. Mr. Chew Ghim Bok is not a related party to the Company, its directors or its controlling shareholders.

2.2 Consideration and Payment Terms

The Consideration shall be fully satisfied in cash and was arrived at after arms' length negotiations and based on a willing-buyer willing-seller basis, having taken into account, *inter alia*, the investment cost of Carros, the latest audited reports of the Carros Group and the following third party valuation reports commissioned by the Carros Group (collectively, the "Valuation Reports"):

Property	Valuation Amount As at 31 December 2016 (S\$'000)
60 Jalan Lam Huat	622,682
20 Bendemeer Road	90,100
200 Pandan Loop	38,265
Vacant land along Woodlands Road, Lot Number 905P MK11	13,021

The Consideration shall be payable upon Completion.

2.3 Conditional Sale

The Proposed Disposal is conditional upon, *inter alia*, the following conditions precedent (the "Conditions Precedent"):

- (i) all necessary approvals, consents and waivers from any third party, governmental or regulatory body having been obtained; and
- (ii) the approval of the Board for the Proposed Disposal having been obtained.

If any of the Conditions Precedent is not fulfilled or waived on Completion, none of the parties

shall have any claim against the other for costs, save for any claim arising from antecedent breaches and confidentiality obligations.

3 IMPLICATIONS OF THE PROPOSED DISPOSAL

3.1 Repayment of Shareholders' Loans owing from Carros

(i) Existing shareholders' loans between Carros and the Company

As at the date of this announcement, the following shareholders' loans exist between Carros and the Company:

Name of Lender	Amount owing to Lender (S\$'000)	
	As at 31 March 2017	As at the date of this announcement
Company	5,578	5,604
Carros.	4,602	3,241
Net Amount owing to the Company by Carros ("Net Carros Loans")	1,516	2,363

The shareholders' loan given by Carros to the Company are non-interest-bearing, unsecured and are repayable at such time as mutually agreed in writing.

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(ii) Shareholders' loans owing from the Group to BS Capital and Mr. Raymond Ng Ah Hua

As at the date of this announcement, the following shareholders' loans are owing from the following Group companies to BS Capital and Mr. Raymond Ng Ah Hua (the "EHH Loans"):

Name of Borrower	Amount owing to BS Capital (S\$'000)	Amount owing to Mr. Raymond Ng Ah Hua (S\$'000)
EH Property & Investments Pte. Ltd.	47,832	Nil
Company	7,265	2,960
Total	55,097	2,960

The EHH Loans are interest-free, unsecured and are repayable at such time as mutually agreed in writing.

(iii) Off-setting of Net Carros Loans against the EHH Loans

In connection with the Proposed Disposal and in view of the Company's disposal of its entire equity stake in Carros, the Net Carros Loans shall be fully repaid to the Group (the "**Repayment**") by way of offsetting the Net Carros Loans against the existing EHH Loans, such that the remaining outstanding EHH Loans shall be as follows:

Name of Borrower	Outstanding amount owing to BS Capital (S\$'000)	Outstanding amount owing to Mr. Raymond Ng Ah Hua (S\$'000)
EH Property & Investments Pte. Ltd.	47,832	Nil
Company	7,265	597
Total	55,097	597

The Repayment shall be effected upon Completion.

3.2 Release of Indemnity

Pursuant to the Joint Venture, BS Capital had provided a corporate guarantee in favour of Carros' bank borrowings (the "**Corporate Guarantee**"). In connection with the Corporate Guarantee, the Company had provided BS Capital with an indemnity of up to approximately S\$40 million (the "**Indemnity**"), such that all risks and rewards of the Joint Venture in respect of the Corporate Guarantee shall be in proportion to the shareholding interest of each of the Company and BS Capital held in Carros.

In connection with the Proposed Disposal and in view of the Company's disposal of its entire equity stake in Carros, the Company has been released and discharged from the Indemnity with immediate effect.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Board believes that the Proposed Disposal is in the best interests of the Company and its shareholders, as it represents a significant net gain and allows the Group a good opportunity to recycle its capital investment. The proceeds from the Proposed Disposal will enable settlement of bank commitments due in the short term.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1 Financial Effects

The *pro forma* financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not necessarily reflect the future actual financial position and results of the Group following Completion.

Purely for illustrative purposes only, based on the Group's audited consolidated financial statements for the financial year ended 31 December 2016 (being the most recently completed financial year), the *pro forma* financial effects of the Proposed Disposal are as follows:

(i) Net tangible assets ("NTA") per share

Assuming that the Proposed Disposal had been completed on 31 December 2016:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	63,583	87,121
Number of issued shares excluding treasury shares ('000)	1,026,650	1,026,650
NTA per share (cents)	6.19	8.49

(ii) Earnings per share

Assuming that the Proposed Disposal had been completed on 1 January 2016:

	Before the Proposed Disposal	After the Proposed Disposal
Profit after tax attributable to equity holders of the Company (S\$'000)	(5,255)	18,283
Weighted average number of shares ('000)	1,026,650	1,026,650
Earnings per share (cents)	(0.51)	1.78

5.2 Value of the Sale Shares

Based on the latest audited/unaudited accounts (where applicable) of the companies within the Carros Group for the financial year ended 31 December 2016, the NTA value (and book value) of the Sale Shares is approximately S\$26.6 million.

Based on the latest audited accounts of the Company for the financial year ended 31 December 2016:

- (i) the cost of investment in the Company is S\$120;
- (ii) no net profits are attributable to the Sale Shares*; and
- (iii) the net gain on the Proposed Disposal is expected to be approximately S\$24.04 million.

* There are no net profits attributable to the Sale Shares, as there has been not been any income contributed or returns received from the Company's investment in the Carros Group (there have been no dividends received since the financial year ended 31 December 2013).

5.3 Use of Proceeds

The Company expects to receive gross proceeds of S\$23.54 million from the Proposed Disposal (excluding estimated transactional expenses to be incurred in connection with the Proposed Disposal).

The Company intends to deploy the proceeds from the Proposed Disposal in partial repayment of its outstanding term loan of approximately S\$30 million.

6. REQUIREMENTS UNDER THE LISTING MANUAL

6.1 Rule 1006 of the Listing Manual

The relative figures for the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual are set out below:

Bases of calculation	Relative Figure
<p>Rule 1006(a)</p> <p>The net asset value⁽¹⁾ ("NAV") of the Property of approximately S\$120 million as at 30 June 2017, compared with the Group's NAV of S\$81.86 million as at 30 June 2017⁽²⁾</p>	Not meaningful (negligible)
<p>Rule 1006(b)</p> <p>The net profit⁽³⁾ attributable to the Sale Shares as at 30 June 2017, compared with the Group's net loss of S\$1.89 million as at 30 June 2017</p>	0 ⁽⁴⁾
<p>Rule 1006(c)</p> <p>The aggregate value of the Consideration received of approximately S\$24.04 million, compared with the Company's market capitalisation⁽⁵⁾ of approximately S\$56.47 million (based on the weighted average price of the Company's shares on the SGX-ST of S\$0.055 on 17 August 2017)</p>	42.57%
<p>Rule 1006(d)</p> <p>The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue</p>	Not applicable as this is not an acquisition

<p>Rule 1006(e)</p> <p>The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.</p>	<p>Not applicable as this is not a disposal of mineral, oil or gas assets by a mineral, oil and gas company.</p>
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Notes:

- (1) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities.
- (2) Based on the latest announced unaudited NAV for the second quarter financial period ended 30 June 2017.
- (3) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (4) There are no net profits attributable to the assets to be disposed of, as there has been not been any income contributed or returns received from the Company's investment in the Carros Group (there have been no dividends received since the financial year ended 31 December 2013).
- (5) Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the 1,026,650,198 shares of the Company in issue by the weighted average price of such shares transacted on the market day preceding the date of this announcement.

Notwithstanding that the relative figure computed under Rule 1006(c) of the Listing Manual exceeds 20% (but does not exceed 100%), the Company has obtained clarification from the Singapore Exchange Securities Trading Limited that the Proposed Disposal is in the ordinary course of the Group's business such that the requirements under Chapter 10 of the Listing Manual do not apply to the Proposed Disposal and accordingly, the Proposed Disposal does not constitute a major transaction requiring shareholders' approval.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, save for Mr. Raymond Ng Ah Hua as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company (if any).

9. DOCUMENTS FOR INSPECTION

A copy of each of the SPA and the Valuation Reports is available for inspection during normal business hours at the Company's registered office at 200 Pandan Loop #05-01 Pantech 21 Singapore 128388 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Raymond Ng Ah Hua
Executive Chairman
18 August 2017