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## PROPOSED DISPOSAL OF PROPERTY AT 63 HILLVIEW AVENUE, SINGAPORE 669569 IN THE ORDINARY COURSE OF BUSINESS – GRANT AND ACCEPTANCE OF OPTION TO PURCHASE

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### 1. INTRODUCTION

The board of directors (the “**Board**”) of Enviro-Hub Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its indirectly owned subsidiary, QF 4 Pte. Ltd. (the “**Vendor**”), a wholly-owned subsidiary of QF Properties Pte. Ltd., which is in turn a wholly-owned subsidiary of EH Property & Investments Pte. Ltd., a 51%-owned subsidiary of the Company, has, on 14 May 2021 granted an option to purchase (the “**Option**”) to Extra Space Hillview Pte. Ltd. (the “**Purchaser**”) to purchase its property located at level 4, units #04-01, #04-02, #04-03, #04-04, #04-05, #04-06, #04-07, #04-08, #04-09, #04-10, #04-11, #04-12, #04-13, #04-14, #04-15, #04-16, #04-17 and #04-18 of Lam Soon Industrial Building, 63 Hillview Avenue, Singapore 669569 (the “**Property**”) at a consideration of S\$35,253,445.00 (the “**Consideration**”), and on the terms and subject to the conditions of the Option (the “**Proposed Disposal**”).

The Option has been exercised by the Purchaser on 18 May 2021 and shall constitute a binding contract for the Proposed Disposal at the Consideration. Pursuant to the Option, the completion of the Proposed Disposal (“**Completion**”) is subject to fulfilment of the conditions precedent as set out in the section headed “Conditions Precedent” below.

### 2. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Singapore and its principal activities involve the provision of self-storage services. The Purchaser is an independent and unrelated third party. To the best of the Company’s directors’ knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its beneficial owners are third parties independent of the Company, its directors and controlling shareholders, and are not related to the Company.

### 3. INFORMATION ON THE PROPERTY

The Property is a freehold property with strata area of 9,690m<sup>2</sup> (including void area) and is currently being used by the Vendor to generate rental income from leases to tenants.

The Property is being sold subject to the existing tenancy agreements made between the Vendor and each of the respective tenants. The tenants will remain in occupation and will pay rent to the Purchaser upon Completion. The aggregate rental income of these existing tenancies amount to approximately S\$90,000 per month.

### 4. MATERIAL TERMS OF THE PROPOSED DISPOSAL

#### 4.1 Consideration

The Consideration was arrived at after arm's length negotiations and on a willing-buyer and willing-seller basis, after taking into consideration *inter alia*, (i) the prevailing market conditions, (ii) the current market prices of properties in the surrounding area; (iii) the existing tenancy agreements; (iv) that the offer made by the Purchaser constitutes the most favourable sale terms which the Company has received to-date; and (v) the independent valuation of the Property conducted by TEHO Property Consultants Pte. Ltd. as at 31 December 2020 pursuant to a valuation report dated 3 February 2021 (the "**Valuation Report**"). The valuation was commissioned by the Company as part of the Group's yearly valuation exercise for its portfolio of properties.

Upon the Purchaser's acceptance of the Option, the Purchaser shall pay to the Vendor an option fee of S\$352,534.45 (the "**Option Fee**") (together with GST thereon), which represents 1% of the Consideration. Following which, upon the Purchaser's exercise of the Option, the Purchaser shall pay to the Vendor's solicitors a deposit equivalent to the amount of 5% of the Consideration less the Option Fee (together with GST thereon). The balance of the Consideration, together with GST thereon, shall be paid within thirty (30) working days from the date of exercise of the Option (the "**Completion Date**").

#### 4.2 **Conditions Precedent**

The Proposed Disposal is subject to, *inter alia*, (i) satisfactory replies to legal requisitions from the various Government Departments and (ii) the Vendor obtaining on or before the Completion Date a fire safety certificate (the "**Fire Safety Certificate**") from the competent authority certifying that the internal partitions in each of the units #04-03, #04-04, #04-08, #04-09, #04-10 and #04-18 of the Property is in conformity with fire safety requirements. If the Vendor is unable to obtain the Fire Safety Certificate by the Completion Date, the Vendor's solicitors shall retain a sum of S\$100,000.00 (together with GST thereon) (the "**Retained Sum**") from the balance of the Consideration and hold the Retained Sum in the Vendor's solicitors' conveyancing account pending the issuance of the Fire Safety Certificate.

#### 4.3 **Sale Subject to Existing Tenancies**

The Property shall be sold subject to and with the benefit of existing tenancies, the terms of which are comprised in the tenancy agreements made between the Vendor and each of the respective tenants.

### 5. **RATIONALE AND USE OF PROCEEDS**

According to Rule 1002 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Mainboard Rules (the "**Mainboard Rules**"), a transaction which is in, or in connection with, the ordinary course of an issuer's business is not subject to the requirements under Chapter 10 of the Mainboard Rules.

The Proposed Disposal is a transaction carried out in the ordinary course of the Group's business of investment in and disposal of properties. As at the date of this announcement, the Company is of the view that the principal activities of the Group will remain the same before and after the Proposed Disposal and there would be no material change in the Group's businesses after the Proposed Disposal.

Accordingly, the Company is of the view that the Proposed Disposal is a disposal that is in the ordinary course of its business that is not subject to Chapter 10 of the SGX-ST Mainboard Rules.

The net cash proceeds from the Proposed Disposal shall be partially utilised by the Vendor to service a loan owed to the Company's shareholders (the "**Loan**"). The Loan was incurred pursuant to a joint venture (the "**Joint Venture**") between the Company and BS Capital Pte. Ltd. (the "**Joint Venture Partner**") to invest in EH Property & Investments Pte. Ltd. S\$4,800,000 of the net cash proceeds from the Proposed Disposal will be utilised to service 16% of the Loan. Further details on the Joint Venture are set out in the Company's circular to its shareholders dated 29 August 2013 and the Company's announcements on SGXNET dated 24 February 2014, 8 July 2013 and 25 June 2013. The remaining net cash proceeds from the Proposed Disposal will be retained with the Vendor to be utilised as general working capital.

## 6. RELATIVE FIGURES UNDER RULE 1006

The relative figures of the Proposed Disposal as computed on the bases set out in Rule 1006 of the Mainboard Rules are as follows:

Rule 1006	Bases of Computation	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	5.28% <sup>1,4</sup>
(b)	Net profits attributable to the assets disposed of, compared with the Group's net loss	(15.45%) <sup>2,4</sup>
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	19.48% <sup>3,4</sup>
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>5</sup>
(e)	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	Not applicable <sup>6</sup>

<sup>1</sup> Net asset attributable to the disposed asset of S\$2,744,000 (adjusted) as at 31 December 2020, compared with the Group's net asset of S\$51,994,000 as at 31 December 2020.

<sup>2</sup> Net profit attributable to the assets disposed of S\$153,000 (adjusted) as at 31 December 2020, compared with the net loss attributable to the Group of S\$990,000 as at 31 December 2020.

<sup>3</sup> The consideration used for the computation is S\$17,979,000 (adjusted), compared with the Company's market capitalisation of approximately S\$92,292,853 based on the weighted average price of the Company's shares on the SGX-ST of S\$0.0744 on 12 May 2021, being the market day preceding the date of the Option.

<sup>4</sup> Figures used for computation have been adjusted to reflect the Company's 51% indirect shareholding interest in the Vendor.

<sup>5</sup> Rule 1006(d) of the Mainboard Rules is not applicable to a disposal of assets.

<sup>6</sup> Rule 1006(e) of the Mainboard Rules is not applicable as the Company is not a mineral, oil and gas company.

Notwithstanding that the figures computed under Rules 1006(a), (b) and (c) of the Mainboard Rules exceeds 5%, the Proposed Disposal is not a disclosable transaction under Rule 1010 of the Mainboard Rules as it is a transaction carried out in the ordinary course of the Group's business. Please refer to section 5 of this announcement for further details.

**7. 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 Disposal (other than through their respective shareholding interests in the Company, if any).

**8. SERVICE CONTRACTS**

No new directors are proposed to be appointed to the Board in connection with the Proposed Disposal. Accordingly, no service contracts will be entered into with any new director of the Company in connection with the Proposed Disposal.

**9. DOCUMENTS FOR INSPECTION**

A copy of the Option and the Valuation Report shall be made available for inspection at the registered office of the Company at 3 Gul Crescent, Singapore 629519 during normal business hours for a period of three (3) months from the date of this announcement.

**10. FURTHER ANNOUNCEMENTS**

The Company will make subsequent announcements to update Shareholders when there are material updates as may be necessary or appropriate.

BY ORDER OF THE BOARD

Raymond Ng  
Executive Chairman

18 May 2021