

**CHUAN HUP HOLDINGS LIMITED**  
(Company Registration No.197000572R)  
(Incorporated in the Republic of Singapore)

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**ACQUISITION OF OFFICE UNITS AT THE CENTRAL**

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**1. OPTION TO PURCHASE OFFICE UNITS AT THE CENTRAL**

The Board of Directors (the "**Board**") of Chuan Hup Holdings Limited (the "**Company**") together with its subsidiaries, the "**Group**") wishes to announce that ProVest Holdings Pte. Ltd. (the "**Purchaser**"), a wholly-owned subsidiary of the Company, has on 4 March 2019 accepted an option to purchase (the "**OTP**") issued by Riverhub Pte Ltd (the "**Vendor**"), a Singapore-incorporated company, for the purchase of the property known as the whole of strata lot U1296C of Town Subdivision 7 with an area of 1239.0 square metres, comprised in Subsidiary Strata Certificate of Title Vol 1272 Folio 125 at 8 Eu Tong Sen Street, #24-89, Singapore (the "**Property**") (within which several office units known as #24-89/90, #24-91, #24-92 and #24-93, 8 Eu Tong Sen Street, The Central, Singapore (the "**Units**") are located) (the "**Transaction**") for an aggregate cash consideration of S\$42,011,550 (the "**Purchase Consideration**").

**2. INFORMATION RELATING TO THE PROPERTY**

The Property is a leasehold property with a lease duration of 99 years commencing on 2 January 2001. The Property has been approved for use as office units.

**3. RATIONALE FOR THE TRANSACTION**

The Company wishes to enter into the Transaction for the purpose of long term investment. The acquisition provides the Group with an opportunity to own a strategically located commercial property, which will enable the Group to earn a sustainable and recurring source of rental income. The Board, after careful consideration, is of the view that the Transaction is in the interests of the Company and its shareholders.

**4. MATERIAL CONDITIONS OF THE TRANSACTION**

4.1 **Completion Date.** The Transaction shall be completed 10 weeks from the date of the OTP (the "**Completion Date**").

4.2 **Tenancy Agreements.** The Units are sold subject to tenancy agreements subsisting as at the date of completion (individually, the "**Tenancy Agreement**" and collectively the "**Tenancy Agreements**"). The Tenancy Agreements are in respect of:

- (a) unit #24-89/90 having an estimated area of 6,577 square feet and leased at a rent (including service charge) of S\$56,562.20/month. This current lease term is expiring on 30 September 2019. There is an option to renew the lease for a further term of one (1) year;
- (b) unit #24-91 having an estimated area of 2,207 square feet and leased at a rent (including service charge) of S\$20,525.10/month. This current lease term is expiring on 2 April 2020. There is an option to renew the lease for a further term of two (2) years;

- (c) unit #24-92 having an estimated area of 1,658 square feet and leased at a rent (including service charge) of S\$14,922.00/month. This current lease term is expiring on 31 May 2019. There is an option to renew the lease for two (2) further terms of one (1) year each. In this regard, the tenant has extended the lease by two (2) months, from 1 June 2019 to 31 July 2019, at a rent (including service charge) of S\$15,751.00/month; and
- (d) unit #24-93 having an estimated area of 936 square feet and leased at a rent (including service charge) of S\$8,100.00/month. This current lease term is expiring on 31 December 2019. There is an option to renew the lease for a further term of two (2) years.

In this regard, the Vendor shall not enter into any new tenancy, renew any of the existing Tenancy Agreements and/or make a deduction from the security deposit under any Tenancy Agreement, other than with the consent of the Purchaser (acting reasonably).

In addition, where required by the Vendor, the relevant Tenancy Agreement shall on completion of the Transaction, be novated or assigned (as the case may be) to the Purchaser. In this regard, the Vendor shall on completion of the Transaction, transfer or assign (as the case may be) the security deposits under the Tenancy Agreements to the Purchaser.

- 4.3 **Warranties and representations.** The Property is sold on an “as is and where is” basis and the Purchaser shall be deemed to be satisfied with the condition, fitness, suitability or otherwise thereof and does not look to or rely upon any representation or warranty of the Vendor or its agent(s) as to such condition fitness suitability or otherwise of the Property and the Vendor shall be under no liability whatsoever to the Purchaser in respect thereof.
- 4.4 **Vacant possession.** The corridor, toilets and lift lobby located adjacent to the Units form part of the Property, and such part of the Property is sold with vacant possession thereof to be delivered on completion.

## 5. PURCHASE CONSIDERATION

- 5.1 **Purchase Consideration.** The Purchase Consideration of S\$42,011,550 (excluding the goods and services tax (“GST”)) for the Transaction was arrived at following arms' length negotiation between the Purchaser and the Vendor, on a willing buyer willing seller basis, after taking into account, *inter alia*, various commercial factors including a valuation report by Savills Valuation And Professional Services (S) Pte Ltd commissioned by the Company, who had valued the open market value of the Property at S\$42,000,000 in their valuation report dated 15 February 2019 (the “**Valuation Report**”), and recently transacted prices of similar office units in The Central, the same building where the Property is located.
- 5.2 **Funding.** The Purchase Consideration and related transaction costs will be funded through a combination of internal resources and borrowings.
- 5.3 **Satisfaction of Purchase Consideration.** The Purchase Consideration and the applicable GST will be satisfied in the following manner:
  - (e) in consideration for the grant of the OTP, an amount of S\$420,115.50 (representing one (1) per cent. of the Purchase Consideration) together with the applicable GST, shall be paid by the Purchaser to the Vendor / Vendor’s solicitors as agents of the Vendor;

- (f) upon exercise of the OTP, an amount of S\$1,680,462 (representing four (4) per cent. of the Purchase Consideration) together with the applicable GST, shall be paid by the Purchaser to the Vendor's solicitors as agents of the Vendor; and
- (g) on the Completion Date, the balance of the Purchase Consideration and all other monies payable under the OTP together with the applicable GST, shall be paid by the Purchaser to the Vendor's solicitors as agents of the Vendor.

## 6. FINANCIAL INFORMATION

6.1 **Assumptions.** The financial effects of the Transaction on the net tangible assets ("**NTA**") per share in the paid-up and issued capital of the Company ("**Share**") and earnings per Share ("**EPS**") of the Group, prepared based on the audited consolidated financial statements of the Group for its financial year ended 30 June 2018 ("**FY2018**") are set out below. The financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position and actual financial performance of the Group after the completion of the Transaction.

6.2 **NTA.** Assuming the Transaction had been completed on 30 June 2018, being the end of the most recently completed financial year of the Company, the financial effects on the NTA per Share would be as follows:

	<b>FY2018</b>	<b>After the Transaction</b>
<b>NTA (US\$'000)</b>	285,586	285,586
<b>No. of issued ordinary shares</b>	928,272,850	928,272,850
<b>NTA per share (US cents)</b>	30.77	30.77

6.3 **EPS.** Assuming the Transaction had been completed on 1 July 2017, being the beginning of the most recently completed financial year of the Company, the financial effects on EPS would be as follows:

	<b>FY2018</b>	<b>After the Transaction</b>
<b>Profit attributable to ordinary shareholders (US\$'000)</b>	13,274	13,758
<b>Weighted average no. of ordinary shares</b>	928,272,850	928,272,850
<b>EPS (US cents)</b>	1.43	1.48

## 7. DISCLOSEABLE TRANSACTION

7.1 **Relative Figures.** In compliance with the Singapore Exchange Securities Trading Limited Listing Manual (the "**Listing Manual**"), the relative figures computed pursuant to Rule 1006 of the Listing Manual in relation to the Transaction are as follows:

<b>Rule 1006</b>	<b>Bases</b>	<b>Percentage (%)<sup>(1)</sup></b>
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not Applicable <sup>(2)</sup>
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	Not Applicable <sup>(3)</sup>
(c)	The aggregate value of the Purchase Consideration to be paid to the Vendor, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	13.5% <sup>(4)</sup>
(d)	The 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
(e)	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.	Not Applicable

**Notes:**

- (1) Percentage figures are rounded to the nearest one (1) decimal place.
- (2) There is no disposal of assets of the Company.
- (3) There is no profit attributable to the acquisition of the Property.
- (4) Computed based on market capitalisation of the Company of approximately S\$310,971,405 as at 1 March 2019. The market capitalisation is calculated based on a total number of 928,272,850 shares in issue of the Company multiplied by the weighted average price of such shares transacted on 1 March 2019.

7.2 **Discloseable Transaction.** As the relative figure calculated under Rule 1006 (c) of the Listing Manual exceeds five (5) per cent. but does not exceed twenty (20) per cent., the Transaction constitutes a discloseable transaction for the Company pursuant to Rule 1010 of the Listing Manual.

## **8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

8.1 **No Interests.** Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, or are deemed to be interested in the Transaction.

8.2 **No Directors' Service Contracts.** No person will be appointed to the Company in connection with the Transaction and no service contracts in relation thereto will be entered into by the Company.

## **9. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the accepted OTP and the Valuation Report will be made available for inspection during normal business hours at the registered office of the Company at 35 Pioneer Road North Singapore 628475 for three (3) months from the date of this Announcement.

**For and on behalf of the Board  
of Chuan Hup Holdings Limited**

Valerie Tan May Wei  
Company Secretary  
4 March 2019