

CHUAN HUP HOLDINGS LIMITED
(Co. Reg. No. 197000572R)
(Incorporated in the Republic of Singapore)

JOINT VENTURE WITH FINBAR GROUP LIMITED TO DEVELOP LAND SITE IN PERTH

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Chuan Hup Holdings Limited (the “**Company**”) together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned Australian subsidiary, Ventrade Australia Pty Ltd (“**Ventrade Australia**”), has entered into a joint venture with the Company’s associated Company, Finbar Group Limited (“**Finbar**”), to acquire and develop a development land site located in the Perth city precinct (the “**Joint Venture**”).

The Company has a 20.53% shareholding interest in Finbar, which is listed on the Australian Securities Exchange. Finbar is Western Australia’s leading apartment developer and has a successful track record in the development of medium to high density residential properties and commercial property.

2. FORMATION OF JOINT VENTURE COMPANY

Ventrade Australia and Finbar have formed a joint venture company in Western Australia named Finbar Sub 107 Pty Ltd (“**107 Pty Ltd**”).

107 Pty Ltd has an initial issued and paid-up capital of A\$2 divided into 2 ordinary shares and will be engaged in the business of property development. Ventrade Australia and Finbar each hold 50% equity interest in 107 Pty Ltd, thereby resulting in 107 Pty Ltd becoming an associated company of the Company.

The formation of 107 Pty Ltd was funded using internal cash resources and is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ending 30 June 2021.

3. RATIONALE FOR THE JOINT VENTURE

The Group and Finbar are long-term, successful joint venture partners in development projects such as Reflections, Adagio, Toccata, Concerto in East Perth, Unison and One Kennedy in Maylands, Perth and more recently, 238 Adelaide Terrace in East Perth.

The Directors believe that the Joint Venture is a strategic opportunity for the Group. The joint venture development site is centrally located with frontages to Hay Street, Plain Street and De Vlamingh Avenue in East Perth and is located directly opposite Queens Garden. The Joint Venture will enable the Group to leverage on Finbar's experience in property development in Western Australia.

4. INFORMATION ON THE JOINT VENTURE

4.1 Acquisition of Land

107 Pty Ltd will acquire a 5,335 square metre land site located at Lot 101 Hay Street in East Perth, Western Australia, commonly referred to as the Chemlabs site (the "**Land**"), from the State Government of Western Australia for a purchase price of A\$16,000,000, excluding government taxes. The Land will be developed into a mixed-use project comprising approximately 340 residential apartments to be developed as two towers over two stages (the "**Project**"). The apartments will be positioned above 1,400 square metres of ground floor commercial activation space supporting retail, and food and beverage use, and will include the conservation of the former Materials Science Building on the corner of Hay Street and Plain Street which has heritage significance.

4.2 Development Management

Finbar will provide development management services for the development of the Land and will receive a management fee from 107 Pty Ltd.

4.3 Funding

4.3.1 Shareholder's Loan

Ventrade Australia will provide a shareholder's loan of A\$16,000,000 to 107 Pty Ltd for the acquisition of the Land (the "**Loan**"). The interest on the Loan will be the Bank Bill Rate plus 1.5% per annum to be calculated and compounded monthly on the last day of each calendar month.

4.3.2 Shareholder's Working Capital Contribution

Ventrade Australia will contribute 50% of the working capital and Finbar will contribute the other 50% of the working capital.

4.4 Share of Joint Venture Profit

Ventrade Australia and Finbar will share equally in the Joint Venture profit.

5. FINANCIAL EFFECTS

The Joint Venture is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the financial year ending 30 June 2021.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Joint Venture, save for their shareholdings in the Company, if any, and save that Mr Peh Kwee Chim, Director and controlling shareholder, has a 1.68% direct interest in Finbar, and Mr Peh Siong Woon Terence, Director and controlling shareholder, is a Director of Finbar.

By Order of the Board
Chuan Hup Holdings Limited

Valerie Tan May Wei
Company Secretary
13 October 2020