

**ACQUISITION OF 80.0% SHAREHOLDING INTEREST IN
C.K.H. FOOD TRADING PTE. LTD. AND 123 MART PTE. LTD.**

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of Hanwell Holdings Limited (the "**Company**") wishes to announce that the Company has on 31 December 2021 entered into a sale and purchase agreement ("**SPA**") with Mr. Chua Kheng Hwee (the "**Vendor**"), pursuant to which the Company has agreed to purchase, and the Vendor has agreed to sell (a) an aggregate of 40,000 ordinary shares in the capital of C.K.H. Food Trading Pte. Ltd. ("**CKH Food Trading**"), representing as at the date hereof 80.0% of the total number of issued shares in CKH Food Trading; and (b) an aggregate of 40,000 ordinary shares in the capital of 123 Mart Pte. Ltd. ("**123 Mart**", and together with CKH Food Trading, the "**Target Companies**"), representing as at the date hereof 80.0% of the total number of issued shares in 123 Mart (collectively, the "**Sale Shares**") (the "**Acquisition**").
- 1.2 Upon completion, the Target Companies shall become subsidiaries of the Company. The remaining 20.0% of the total number of issued shares in CKH Food Trading and 123 Mart will continue to be held by the Vendor.

2. INFORMATION ON THE TARGET COMPANIES AND THE PRINCIPAL TERMS OF THE ACQUISITION

- 2.1 The Target Companies are in the business of food distribution to both food and beverage outlets and retail customers in Singapore. The Company believes that the Acquisition is in line with the Company's strategic plans to grow our distribution network for consumer essentials, including through online retail, in order to increase the Group's revenue and held to enhance profitability, thereby bringing additional value to the Company and its shareholders.
- 2.2 The aggregate consideration payable by the Company to the Vendor for the Acquisition shall be the sum of S\$3,300,000 (the "**Total Consideration**"), which shall be payable in three tranches, with the first tranche payable upon completion of the Acquisition and the second and third tranches payable as deferred consideration in 2022. The Total Consideration was arrived at on a willing-buyer, willing-seller basis, after taking into consideration, *inter alia*, the value of the net assets, earnings and growth potential of the Target Companies, the payment terms for the Total Consideration under the SPA and the strategic merits of the Acquisition. The total unaudited book value and net tangible assets attributable to the Sale Shares as at 30 November 2021 is S\$2,957,639, and no valuation of the Sale Shares has been commissioned by the Company. The Total Consideration will be funded through internal resources and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2021.
- 2.3 As none of the relative figures under Rule 1006 of the Mainboard Listing Rules of the Singapore Exchange Securities Trading Limited exceeds 5%, the Acquisition constitutes a non-disclosable transaction under Chapter 10 of the Listing Manual.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

4. FURTHER ANNOUNCEMENTS

The Company will make further announcements to update shareholders as and when there are material developments in respect of the Acquisition.

**BY ORDER OF THE BOARD
HANWELL HOLDINGS LIMITED**

Siau Kuei Lian
Company Secretary

31 December 2021