

CHUAN HUP HOLDINGS LIMITED

(Company Reg. No. 197000572R)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

ACQUISITION OF OFFICE UNITS AT 143 CECIL STREET SINGAPORE

1. OPTION TO PURCHASE OFFICE UNITS AT 143 CECIL STREET SINGAPORE

The Board of Directors (the "**Board**") of Chuan Hup Holdings Limited (the "**Company**") wishes to announce that ProVest Realty Pte. Ltd. (the "**Purchaser**"), a wholly-owned subsidiary of the Company, has on 8 September 2014 accepted an option to purchase (the "**Option to Purchase**") issued by Finimo Realty Pte Ltd (the "**Vendor**"), a Singapore-incorporated company, for the purchase of several office units at 143 Cecil Street, #20-01/#20-02/#20-03/#20-04, #21-01/#21-02/#21-03/#21-04 and #22-01/#22-02/#22-03/#22-04 comprised in lots U356C, U357M and U359P all of Town Subdivision 2 in the Republic of Singapore (the "**Properties**") (the "**Transaction**") for a cash consideration of S\$31,688,000.00 (the "**Purchase Consideration**").

2. INFORMATION RELATING TO THE PROPERTIES

The Properties are leasehold properties with a lease duration of 99 years commencing on 12 October 1982 and have a total area of approximately 1,492 square metres. The Properties have been approved as office units.

3. RATIONALE FOR THE TRANSACTION

The Board 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 best interests of the Company and its shareholders.

4. PURCHASE CONSIDERATION

- 4.1 The Purchase Consideration of S\$31,688,000.00 (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 Colliers International Consultancy & Valuation (Singapore) Pte Ltd commissioned by the Company, who had valued the open market value of the Properties at S\$31,700,000.00 in their valuation report dated 4 September 2014 (the "**Valuation Report**"), and recently transacted prices of similar office units around the vicinity of the Properties.
- 4.2 The Purchase Consideration and related transaction costs will be funded through a combination of internal resources and borrowings.
- 4.3 The Purchase Consideration and the applicable GST will be satisfied in the following manner:-

- (i) upon grant of the Option to Purchase, an amount of S\$316,880.00 (the "**Option Fee**") was paid by the Company to the Vendor;
- (ii) upon exercise of the Option to Purchase, an amount of S\$2,851,920.00 together with the applicable GST on the Option Fee, shall be paid by the Purchaser to the Vendor's solicitors who shall hold the said sum as stakeholders until the Completion Date (as defined below); and
- (iii) on the Completion Date (as defined below), the balance of the Consideration and all other monies payable under the Option to Purchase together with the applicable GST, shall be paid by the Purchaser to the Vendor's solicitors.

5. MATERIAL CONDITIONS OF THE TRANSACTION

- 5.1 The Transaction shall be completed and the full balance of the Purchase Consideration together with the applicable GST shall be paid 10 weeks from the date of exercise of the Option to Purchase (the "**Completion Date**").
- 5.2 The Properties are sold subject to satisfactory replies to the requisitions and interpretation plans sent by the Purchaser's solicitors to the various government departments and the Land Transport Authority of Singapore. If any of the aforesaid replies are unsatisfactory, then the Transaction shall be rescinded at the option of the Purchaser by giving notice in writing thereof to the Vendor's solicitors within 14 days of the receipt of such unsatisfactory reply, whereupon the Transaction shall become null and void and of no effect whatsoever. On rescission, the Purchaser shall withdraw all caveats, whether lodged by the Purchaser or its mortgagee(s) and advise the Vendor or its solicitors of the registration particulars and shall return all title deeds or documents relating to the Properties. Each party shall bear its own solicitors' cost in the matter and neither party hereto shall have any claims or demands against the other party for damages, costs or otherwise whatsoever in the matter.
- 5.3 The Properties are sold on an "as is and where is" basis and the Vendor does not make any warranty or representation on any particulars or aspects of the Properties. The Purchaser shall buy the Properties with full notice of the actual state and condition of the Properties and the common property thereof as regards access, repair, light, air, drainage and in all other respects, and shall take the Properties and the common property as it is on completion, and, subject to paragraph 5.2 of this Announcement, shall not be entitled to make or raise any enquiry, requisition or objection whatsoever in respect thereof.
- 5.4 The Properties are sold with vacant possession thereof to be given to the Purchaser on completion.

6. FINANCIAL EFFECTS

6.1 Assumptions

The financial effects on the net tangible assets (the "NTA") per share and the earnings per share (the "EPS") of the Group are set out below. The financial effects which have been prepared based on the unaudited consolidated financial statements of the Group for its financial year ended 30 June 2014 ("FY2014"), are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the completion of the Transaction.

6.2 NTA

For illustrative purposes only and assuming the Transaction had been completed at the end of FY2014, the estimated financial effects of the Transaction on the consolidated NTA of the Group for FY2014 are as follows:-

	Before the Transaction	After the Transaction
NTA (US\$'000)	310,471	310,471
Number of shares ('000)	933,532	933,532
NTA per share (US cents)	33.26	33.26

6.3 EPS

For illustrative purposes only and assuming that the Transaction had been completed at the beginning of FY2014, the effects of the Transaction on the EPS of the Group for FY2014 are as follows:-

	Before the Transaction	After the Transaction
Profit attributable to shareholders (US\$'000)	18,023	18,023
Number of shares ('000)	933,532	933,532
Earnings per share (US cents)	1.93	1.93

7. RULE 1006

7.1 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, based on the unaudited consolidated financial statements of the Group for FY2014, are as follows:-

(a) *Rule 1006(a)*

Net asset value of the assets to be disposed	Not Applicable
Net asset value of the Group	Not Applicable
Size of relative figure	Not Applicable

(b) *Rule 1006(b)*

Net profits attributable to the assets to be acquired ⁽¹⁾	Not Applicable
Net profits of the Group	Not Applicable
Size of relative figure	Not Applicable

(c) *Rule 1006(c)*

Aggregate value of the consideration given ⁽²⁾ (US\$'000)	25,252
The Company's market capitalisation as at 5 September 2014 based on the total number of issued shares, excluding treasury shares ⁽³⁾ (US\$'000)	219,460
Size of relative figure	11.5%

(d) *Rule 1006(d)*

Number of equity securities issued by the Company as consideration for an acquisition	Not Applicable
Number of equity securities previously in issue	Not Applicable
Size of relative figure	Not Applicable

(1) There is no profit attributable to the acquisition of the office units.

(2) Purchase consideration is based on exchange rate of S\$1 : US\$0.7969 on 5 September 2014.

(3) The market capitalisation of the Company is based on 933,532,450 shares in issue on 5 September 2014 at the price of S\$0.295 per share (exchange rate of S\$1 : US\$0.7969) transacted at 5 September 2014.

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

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their shares 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.

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. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the accepted Option to Purchase and the Valuation Report are available for inspection during normal business hours at the registered office of the Company at 390 Jalan Ahmad Ibrahim Singapore 629155 for 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
8 September 2014