

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**”), will be entering into a joint venture with the Company’s associated Company, Finbar Group Limited (“**Finbar**”), to acquire and develop a prime 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 106 Pty Ltd (“**106 Pty Ltd**”).

106 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 106 Pty Ltd, thereby resulting in 106 Pty Ltd becoming an associated company of the Company.

The formation of 106 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 2020.

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 and more recently, Unison and One Kennedy developments.

The Directors believe that the Joint Venture is a strategic opportunity for the Group. The joint venture development site is centrally located, within walking distance from the Perth CBD and offers potential residents and investors expansive views of the Swan River and city from the upper levels. 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

106 Pty Ltd will acquire a 1,697 square metre land site located at 240 Adelaide Terrace, East Perth, Western Australia (the “**Land**”) for a purchase price of A\$6,500,000, excluding government taxes. The Land will be developed into approximately 115 residential apartments across 28 levels with additional lower level commercial office space.

4.2 Development Management

Finbar will provide development management services for the development of the Land and will receive a management fee from 106 Pty Ltd.

4.3 Funding

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 2020.

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 and save that Mr Peh Kwee Chim, Director and controlling shareholder, has a 1.68% direct interest in Finbar.

By Order of the Board
Chuan Hup Holdings Limited

Valerie Tan May Wei
Company Secretary
25 October 2019