一合环保控股
ENVIRO-HUB HOLDINGS LTD
Let's Restore The Environment!
(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 199802709E)

PROPOSED ACQUISITION OF ADDITIONAL SHARES IN ENVIRO PROPERTY PTE. LTD.

1. INTRODUCTION

The Board of Directors (the "**Board**") of Enviro-Hub Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 29 June 2018 entered into a sale and purchase agreement ("**SPA**") with its subsidiary, Enviro-Power Pte. Ltd. (the "**Vendor**", together with the Company, the "**Parties**", and a "**Party**" shall be construed accordingly), pursuant to which the Vendor shall sell, and the Company shall acquire, 30,000 ordinary shares (the "**Target Shares**") in the capital of Enviro Property Pte. Ltd. (the "**Target**"), representing the entire issued and paid-up share capital of the Target, on the terms and conditions of the SPA (the "**Proposed Acquisition**").

2. INFORMATION ON THE TARGET AND THE VENDOR

2.1. Information on the Vendor

As at the date of this announcement, the registered shareholders of the Vendor are Restorer Corp Pte. Ltd.[1] (54.5%), the Company (39%), and certain individuals (who collectively hold 6.5%). Although the Group owns less than half of the issued share capital of the Vendor, the Group holds more than half of the voting power of the Vendor by virtue of an agreement with its other investors. Based on the terms of such agreement, the Group has the ability to direct the activities of the Vendor that most significantly affect their returns. Accordingly, the Vendor is classified as a subsidiary of the Company.

2.2. Information on the Target

The Target is a company incorporated in Singapore on 20 May 2011, and is principally engaged in the business of property holding. As at the date of this announcement, the issued and paid-up share capital of the Target is S$3,000,000, comprising 30,000 ordinary shares.

The Target is the lessee of the property known as 99 Tuas Bay Drive Singapore 637426 (the "**Property**"), which is a JTC factory comprising 2 blocks of single-storey production area, 1 block of single-storey production area with mezzanine floor and a 2-storey ancillary office building. The Property has a leasehold tenure of 29 year and 3 months commencing from 9 May 2006, and occupies a total land area of 16,874.1 square metres and a gross floor area of approximately 9,882.15 square metres.

The Target had previously commissioned TEHO Property Consultants Pte Ltd (the "**Valuer**") to conduct a valuation on the Property as part of the Group's yearly valuation exercise for its portfolio of properties. Based on the valuation report dated 12 February 2018 issued by the Valuer (the "**Valuation Report**"), the Property was valued at S$15,500,000 as at 31 December 2017,

[1] As at the date of this announcement, Mr. Raymond Ng Ah Hua, the Executive Chairman of the Company, owns 10% shareholding interests in Restorer Corp Pte. Ltd.

and the valuation was determined based on the market comparison method of valuation. In adopting the aforementioned approach, the Valuer had taken into account transactions of comparable properties, the prevailing market conditions, and underlying economic factors which may influence the trend of the market prices. As at the date of this announcement, no other valuation was commissioned by the Company in respect of the Proposed Acquisition.

As the Target is a wholly-owned subsidiary of the Vendor and as the Group has the ability to direct this entity's activities that most significantly affect its returns, the Target is classified as a subsidiary of the Company.

2.3. Value of the Target Shares

Based on the unaudited financial statements of the Target for the financial quarter ended 31 March 2018:

(a) the net tangible asset ("**NTA**") value and book value of the Target Shares is deficit of approximately S$2,556,000; and

(b) the net loss attributable to the Target Shares is approximately S$22,824.46.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1. Consideration

The aggregate purchase consideration for the Proposed Acquisition shall be S$3,777,000 (the "**Consideration**").

The Consideration was determined at arm's length and on a "willing buyer-willing seller" basis after taking into consideration, amongst others, the following factors:

(a) the net asset value of the Target as at 31 March 2018, which is a deficit of approximately S$2,556,000; and

(b) the valuation of the Property held by the Target.

The Consideration shall be fully set off against the total outstanding amount owing by the Vendor to the Company as at the date of the SPA, being the amount of approximately S$25.4 million (the "**Outstanding Vendor's Liabilities**"), upon Completion. Accordingly, upon Completion, the balance of the Outstanding Vendor's Liabilities shall be correspondingly reduced by the Consideration amount to approximately S$21.6 million.

3.2. Conditions precedent

Completion of the sale and purchase of the Target Shares ("**Completion**") is conditional upon, *inter alia*, the following conditions being satisfied or waived in accordance with the terms of the SPA:

(a) all approvals, consents, and/or waivers as may be necessary from any third party, governmental or regulatory body or relevant competent authority, bank or financial institution for the sale and purchase of the Target Shares being granted or obtained, and being in full force and effect and not having been withdrawn, suspended, amended, or revoked, and if such approval, consents, and/or waivers are granted or obtained subject to any conditions, and if such conditions affect any of the Parties, such conditions being acceptable to the Party concerned, and if such conditions are to be fulfilled before Completion, such conditions being fulfilled before Completion; and

(b) if necessary, approval being obtained from the shareholders of the Company and/or the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the transactions contemplated in the SPA, and such approval not being revoked or amended on or prior to the Completion Date, and if such approval is subject to any condition or restriction imposed by the SGX-ST, such condition and/or restriction being reasonably acceptable to the Vendor.

3.3. **Completion**

Completion shall take place on the date falling five (5) business days after the satisfaction of the conditions precedent set out in the SPA, or such other date as may be mutually agreed between the Parties in writing (the "**Completion Date**").

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition is in the best interests of the Company as the Group will own the Property (through the Target) following the completion of the Proposed Acquisition. This will facilitate the expansion of the Group's environmental restoration business, which in line with the Group's long-term strategy plans.

Following the completion of the Proposed Acquisition, the Group's effective equity interest in the Target shall be increased from 39% to 100%, and the Target shall become a wholly-owned subsidiary of the Company. As such, this announcement is also made in accordance with Rule 704(17)(d) of the Listing Manual of the SGX-ST (the "**Listing Manual**").

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects of the Proposed Acquisition on the Group as set out below are purely for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the completion of the Proposed Acquisition, nor a projection of the future financial performance or position of the Group after the completion of the Proposed Acquisition.

Based on the Group's latest audited consolidated financial statements for the financial year ended 31 December 2017 ("**FY2017**"), the *pro forma* financial effects of the Proposed Disposal are as follows:

5.1. **Effect on Group's net tangible assets ("NTA") per share**

For illustrative purposes only, had the Proposed Acquisition been completed on 31 December 2017 and based on the latest audited consolidated financial statements of the Group for FY2017 (being the end of the most recently completed financial year), the Proposed Acquisition would have had the following impact on the Group's NTA per share:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA[1] (S$'000)	53,632	56,967
Number of issued shares excluding treasury shares ('000)	1,026,650	1,026,650
NTA per share (cents)	5.22	5.55

Note:

(1) NTA is based on net asset value of the Group before share of non-controlling interests

5.2. **Effect on earnings per share ("EPS")**

For illustrative purposes only, had the Proposed Acquisition been completed on 1 January 2017 and based on the latest audited consolidated financial statements of the Group for FY2017 (being the end of the most recently completed financial year), the Proposed Acquisition would have had the following impact on the Group's EPS:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Profit/(Loss) after tax attributable to equity holders of the Company (S$'000)	(10,190)	(10,398)
Weighted average number of shares ('000)	1,026,650	1,026,650
EPS (cents)	(0.99)	(1.01)

5.3. **Share Capital**

The Proposed Acquisition will not have any effect on the share capital of the Company as the Consideration is to be satisfied wholly by setting off against the Outstanding Vendor's Liabilities.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	**Bases of computation**	**Relative Figures (%)**
Rule 1006 (a)	Net asset value of the assets to be disposed of compared with the Group's net asset value	Not applicable(1)
Rule 1006 (b)	Net profits(2) attributable to the assets acquired, compared with the Group's net profits	1.89%3)
Rule 1006 (c)	Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	10.75%(4)
Rule 1006 (d)	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(5)
Rule 1006 (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 and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable(6)

Notes:

(1) This basis is not applicable as the Group will not be disposing of any assets pursuant to the Proposed Acquisition.

(2) Under Rule 1002(3)(b) of the Listing Manual, “net profits" means profit or loss before income tax, minority interests and extraordinary items.

(3) Determined by dividing the Target’s unaudited net loss of approximately S$22,824.46 by the Group’s unaudited net loss of approximately S$1,206,217.33 for the financial quarter ended 31 March 2018.

(4) Based on the Consideration of S$3,777,000, and the market capitalisation of the Company of approximately S$35,147,000 (determined by multiplying the 1,033,746,142 shares of the Company in issue by the volume-weighted average price of the shares of S$0.034 on 28 June 2018 (being the immediate market day preceding the date of signing of the SPA)).

(5) This basis is not applicable as no equity securities will be issued by the Company as consideration for the Proposed Acquisition.

(6) This basis is not applicable as the Company is not a mineral, oil and gas company.

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Acquisition would constitute a discloseable transaction under Rule 1010 of the Listing Manual.

7. INTERESTS OF DIRECTORS AND/OR CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company (if any).

8. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. INSPECTION OF DOCUMENTS

Copies of the SPA and the Valuation Report are available for inspection during normal business hours at the Company’s registered office at 200 Pandan Loop, #05-01 Pantech 21, Singapore 128388 for a period of three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make such further announcements as appropriate when there are material developments to the Proposed Acquisition.

BY ORDER OF THE BOARD

Raymond Ng
Executive Chairman
29 June 2018