

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

PROPOSED DISPOSAL OF SHARES IN PCI LIMITED

1. THE PROPOSED DISPOSAL

- 1.1 **Background.** On 4 January 2019, PCI Limited (“**PCI**”) and Pagani Holding III Limited (the “**Purchaser**”) announced (“**Joint Announcement**”) the proposed acquisition (the “**Acquisition**”) by the Purchaser of all the issued shares in PCI which would be effected by way of a scheme of arrangement (the “**Scheme**”) pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”). In connection with the Acquisition, PCI and the Purchaser have on the same day entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which PCI and the Purchaser will implement the Scheme.
- 1.2 **Current Holdings.** As at 4 January 2019, Chuan Hup Holdings Limited (the “**Company**”) together with its subsidiaries, the “**CHH Group**”) has an interest in 152,701,506 shares in the ordinary and paid-up capital of PCI (the “**Sale Shares**”), representing approximately 76.70% of the total issued and paid-up share capital of PCI. The Company intends to transfer the Sale Shares to the Purchaser (“**Proposed Disposal**”).
- 1.3 **CHH Undertaking.** In connection with the Proposed Disposal, the Company has on 4 January 2019, granted an irrevocable undertaking to the Purchaser (the “**CHH Undertaking**”), pursuant to which the Company has undertaken to, *inter alia*, vote in favour of the Scheme at the court meeting to be convened by PCI to approve the Scheme (the “**Scheme Meeting**”) in respect of all (and not some only) of (i) the Sale Shares, (ii) any other shares in the ordinary and paid-up capital of PCI (“**PCI Shares**”) which the Company may, on or after the date of the CHH Undertaking, become the beneficial owner of and (iii) any other shares in the capital of PCI deriving from the PCI Shares in (i) and (ii) (together, “**Relevant Shares**”).

2. INFORMATION ON PCI AND THE PURCHASER

- 2.1 **PCI.** PCI was listed on the then Sesdaq of the SGX-ST in May 1992. Its listing was transferred to the Mainboard of the SGX-ST in May 1995. PCI and its subsidiaries are in the business of providing end-to-end electronics manufacturing services. As at the last full trading day preceding the date of this Announcement, PCI’s market capitalisation was approximately S\$225 million and it has an issued and paid-up capital of S\$75,031,320 comprising 199,099,000 ordinary shares. The board of directors of PCI comprises the following:

- (a) Mr. Peh Kwee Chim (Executive Chairman);
- (b) Mr. Peh Siong Woon Terence (Executive Vice Chairman);
- (c) Mr. Eldon Wan (Executive Director);
- (d) Mr. Ho Soo Ching (Lead Independent Director);
- (e) Mr. Lo Pang Foo Steven (Non-Executive, Independent Director); and

(f) Ms. Joanna Young Sau Kwan (Non-Executive, Independent Director).

2.2 **The Purchaser.** The Purchaser is a special purpose company incorporated under the laws of the Cayman Islands, which is an indirect wholly owned subsidiary of investment funds and entities affiliated with and advised by Platinum Equity Advisors, LLC (together with its subsidiaries) (“**Platinum**”). Founded in 1995 by Tom Gores, Platinum is a global investment firm with US\$13 billion of assets under management and a portfolio of approximately 40 operating companies that serve customers around the world. Platinum specializes in mergers and operations – a trademarked strategy it calls M&A&O® – acquiring and operating companies in a broad range of business markets, including manufacturing, distribution, transportation and logistics, equipment rental, metals services, media and entertainment, technology, telecommunications and other industries. Over the past 22 years, Platinum has completed more than 250 acquisitions. In 2016, Platinum portfolio companies generated more than US\$24 billion of revenue.

3. PRINCIPAL TERMS OF THE SCHEME

3.1 **Scheme.** Upon the Scheme becoming effective and binding in accordance with its terms, all PCI Shares held by the shareholders of PCI as at 5.00 p.m. on a books closure date to be announced by PCI on which the transfer books and the register of members of PCI will be closed in order to determine the entitlements of the shareholders of PCI in respect of the Scheme (the “**Books Closure Date**” and any such shareholder of PCI, an “**Entitled Shareholder**”) will be transferred to the Purchaser:

- (a) fully paid;
- (b) free from all liens, equities, mortgages, charges, encumbrances, security interests, hypothecations, easements, pledges, title retentions, trust arrangements, hire purchases, judgments, preferential rights, rights of pre-emption and other rights or interests conferring security or similar rights in favour of a third party; and
- (c) together with all rights, benefits and entitlements attaching thereto as of the date of the Joint Announcement (“**Joint Announcement Date**”) and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by PCI on or after the Joint Announcement Date.

3.2 **Consideration.** In consideration for such transfer, subject to and upon the Scheme becoming effective, each Entitled Shareholder will be entitled to receive S\$1.33 in cash for each PCI Share (the “**Scheme Consideration**”) held by such Entitled Shareholder as at the Books Closure Date. As at 4 January 2019, the Company holds 152,701,506 PCI Shares and accordingly, subject to the Scheme becoming effective, the Company will be entitled to receive an aggregate of S\$203,093,002.98 in consideration for the transfer of the Sale Shares to the Purchaser (“**Consideration**”).

3.3 **Financial Evaluation.** As stated in the Joint Announcement, the Scheme Consideration represents a premium of approximately 60.1% over the volume weighted average price¹ (“**VWAP**”) of PCI Shares for the 12-month period up to and including 17 September 2018 (the

¹ VWAP is calculated as the total traded value of PCI Shares divided by the total volume of PCI Shares traded, based on data extracted from Bloomberg L.P. which shows prices adjusted to reflect any changes in the share capital of PCI. VWAP is rounded to the nearest three (3) decimal places.

“**Latest Undisturbed Trading Date**”), being the last full trading day preceding the date the Company released the holding announcement in respect of a possible transaction, being 18 September 2018, of S\$0.831. The Scheme Consideration was negotiated on an arm’s length basis with the Purchaser, taking into consideration, *inter alia*, (i) the historical and prevailing market price of PCI Shares, (ii) the historical financial position and performance of PCI, and (iii) the premium to acquire statutory control of PCI. As stated in the Joint Announcement, the Scheme Consideration represents the following premia over the market price of PCI Shares:

Description	PCI Share Price ^{(1) (2)}	Premium over PCI Share Price ⁽³⁾
(a) Last transacted price as quoted on the SGX-ST on the Latest Undisturbed Trading Date	S\$1.040	27.9%
(b) VWAP for the one-month period up to the Latest Undisturbed Trading Date	S\$0.924	44.0%
(c) VWAP for the three-month period up to the Latest Undisturbed Trading Date	S\$0.904	47.2%
(d) VWAP for the six-month period up to the Latest Undisturbed Trading Date	S\$0.881	50.9%
(e) VWAP for the 12-month period up to the Latest Undisturbed Trading Date	S\$0.831	60.1%
(f) Last transacted price as quoted on the SGX-ST on the last full trading day preceding the Joint Announcement Date	S\$1.130	17.7%

Notes:

- (1) The figures set out in this section 3.3 are based on data extracted from Bloomberg L.P..
- (2) Rounded to the nearest three (3) decimal places.
- (3) Rounded to the nearest one (1) decimal place.

3.4 **Switch Option.** Subject to prior consultation with the Securities Industry Council, pursuant to the terms of the Implementation Agreement, in the event a Competing Offer² or an intention to make a Competing Offer is announced (whether or not such Competing Offer is pre-

² “**Competing Offer**” means any offer, proposal or expression of interest by any person other than the Purchaser (or a person acting in concert with the Purchaser) or at the Purchaser’s direction or with the Purchaser’s consent, pursuant to which such person(s) or any other person(s) may, whether directly or indirectly, and whether by share purchase, share subscription, scheme of arrangement or amalgamation, capital reconstruction or capital reduction, purchase of assets, exit offer, tender offer, general offer, partial offer, joint venture, dual listed company structure, or otherwise:

- (i) acquire or become the holder or owner of, or otherwise have an economic interest in all or a material amount (as defined in Rule 5 of the Code) of the businesses, assets, revenues and/or undertakings of any member of the PCI Group (defined below);
- (ii) acquire control over, or merge, consolidate or amalgamate, with any member of the PCI Group;
- (iii) effect any other arrangement having an effect similar to any of the above; or
- (iv) effect a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Acquisition and/or the Scheme.

conditional), the Purchaser shall have the right at its sole discretion to elect to proceed with the Acquisition by way of a voluntary conditional cash offer for the PCI Shares (“**Offer**”) in lieu of proceeding with the Scheme (the “**Switch Option**”).

- (a) If the Purchaser exercises the Switch Option, it will make the Offer on the same or better terms as those which apply to the Scheme, including the same or a higher consideration than the Scheme Consideration, and conditional upon a level of acceptances set at only more than 50 per cent. of PCI Shares to which the Offer relates and not conditional on a higher level of acceptances.
- (b) In such event, PCI and the Purchaser have agreed that the Implementation Agreement shall terminate with effect from the date of announcement by or on behalf of the Purchaser of a firm intention to make the Offer, save for certain surviving provisions, and neither PCI nor the Purchaser shall have any claim against the other under the Implementation Agreement.

3.5 **Scheme Conditions.** The Scheme is also conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent. The Scheme will only come into effect if all such conditions precedent have been satisfied or waived in accordance with the Implementation Agreement, no later than 5.00 p.m. on 30 June 2019, or such other date as the Purchaser and PCI may agree in writing (the “**Longstop Date**”).

4. CHH UNDERTAKING AND TASA

4.1 **CHH Undertaking.** In connection with the Scheme, the Company granted the CHH Undertaking to the Purchaser to, *inter alia*:

- (a) vote all of the Relevant Shares in favour of the Scheme at the Scheme Meeting;
- (b) vote against and reject any and all resolutions or proposals to approve, implement or carry out a Competing Offer;
- (c) (in the event the Purchaser exercises the Switch Option) not later than ten Market Days after the date of despatch of the formal document containing the Offer (the “**Offer Document**”) to the shareholders of PCI, accept the Offer in respect of all and not some only of the Relevant Shares in accordance with the procedure for acceptance as prescribed in the Offer Document, where “**Market Day**” means a day on which the SGX-ST is open for trading in securities; and
- (d) comply with certain “no-shop” and “no-talk” obligations, except that without prejudice to the Company’s obligations set out in the CHH Undertaking, the Company shall be entitled to generally perform all such acts as may be necessary for Directors to comply with and discharge their legal or regulatory obligations or fiduciary duties owed to the Company and its shareholders.

4.2 **Duration of the CHH Undertaking.** The CHH Undertaking will terminate upon the earliest of the following dates:

- (a) the Longstop Date;
- (b) in the event the Implementation Agreement lapses or is terminated for any reason (other than as a result of the Switch Option being exercised by the Purchaser) without the

Scheme becoming effective, the date the Implementation Agreement lapses or is terminated;

- (c) (if the Switch Option is exercised by the Purchaser) in the event the Offer lapses or is withdrawn for any reason without becoming or being declared unconditional in all respects, the date the Offer lapses or is withdrawn;
- (d) (if the Switch Option is exercised by the Purchaser) the date on which the Relevant Shares are tendered in acceptance of the Offer; and
- (e) if the Implementation Agreement is not terminated, the date on which the Scheme becomes effective and binding in accordance with its terms ("**Effective Date**").

4.3 **Existing Commercial Arrangements.** The Company and PCI have in place certain contractual arrangements, including the following ("**Existing Commercial Arrangements**"):

- (a) **Service Agreement.** A subsidiary of PCI had entered into a service agreement with the Company to provide IT support services for an aggregate fee of S\$4,000 (excluding GST) per month (the "**SA**"). The term of the SA expires on 30 June 2019 and either party may terminate the SA by giving three (3) months' prior notice to the other party.
- (b) **Sub-Lease.** PCI currently sublets to the Company, office premises at 35 Pioneer Road North for a monthly fee of S\$14,766.25 which comprise (i) S\$10,766.25 for the rent and (ii) S\$4,000 for facility management services, until 30 June 2021 (the "**Sub-lease**"). Only PCI has the right to terminate the Sub-lease for cause.
- (c) **Management Services.** The Company currently provides certain secretarial, legal and management consultancy services to PCI and its subsidiaries (together, the "**PCI Group**") for an aggregate fee of S\$25,000 per month (the "**MSA**"). The term of the MSA expires on 30 June 2019.

4.4 **TASA.** In connection with the Acquisition, the Purchaser required that the Company continues with the Existing Commercial Arrangements with the Purchaser and its subsidiaries ("**Purchaser Group**") (which would include PCI and its subsidiaries, post-effectiveness of the Scheme) on substantially the same terms and conditions as currently applied and described in section 4.3 above, save that:

- (a) the Company and the Purchaser will enter into an arrangement for the Company to provide transitional advisory services to the Purchaser Group, in respect of which the Company will advise on, *inter alia*, the PCI Group's historical financial matters, to the extent reasonably necessary to facilitate the operation of the PCI Group in its ordinary course of business and consistent with past practices at a fee of S\$50,000 per month ("**Service Fee**"), for a period of three (3) months, with effect from the Effective Date (the "**Transitional Services Arrangement**") if an independent financial adviser, whether engaged by the Purchaser or PCI, publicly states that in its opinion that the Service Fee for the Transitional Services Arrangement is fair and reasonable so far as the shareholders of PCI are concerned in the context of Rule 10 of the Code;
- (b) the continuity of the Sub-lease and the SA shall be subject to the relevant approvals or consents being obtained from JTC Corporation with respect to the Sub-lease (the "**Approvals**"), provided that in the event the Approvals are obtained for the continuity of the Sub-lease, any additional sub-letting fees imposed by JTC Corporation in

accordance with their subletting policy set out in the JTC Subletting Handbook shall be borne by the Company; and

- (c) the MSA shall be terminated with effect from the Effective Date.

For this purpose, the Company and the Purchaser have today entered into a transitional advisory services agreement (“**TASA**”) to reflect the following:

- (i) the Transitional Services Arrangement; and
- (ii) the termination of the MSA with effect from the Effective Date.

5. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF NET PROCEEDS

5.1 **Rationale for the Proposed Disposal.** As publicly disclosed in the annual report of the Company for the financial year (“**FY**”) ended 30 June 2018 (“**Annual Report 2018**”), the Company has positioned itself as an investment company with a diversified portfolio of strategic investments in various industries. The Company believes that the Proposed Disposal is an opportunity for the Company to realise the value of its stake in PCI at a significant premium to its investment costs. The Company does not see the Proposed Disposal as a material change in the nature of the Company’s business. As an investment company, the Proposed Disposal is in line with the investment objectives of the Company which are set out in the Annual Report 2018 to deliver short-term returns and long-term sustainable growth.

5.2 **Use of Net Sale Proceeds.** Based on the unaudited consolidated financial statements of the CHH Group as at 30 September 2018, the Company expects to realise a gain of approximately US\$69,181,000 from the Proposed Disposal. The net sale proceeds from the Proposed Disposal are intended to be used as general working capital of the Company, which would further strengthen the Company’s balance sheet, enhance the Company’s financial flexibility and facilitate any plans by the Company to enhance shareholder value. The net sale proceeds could also be redeployed and reinvested in the property sector and potentially other business sectors if the right opportunity presents itself.

6. FINANCIAL INFORMATION

6.1 **Book Value and NTA.** Based on the Company’s latest consolidated unaudited financial results, the book value and the net tangible asset value (“**NTA**”) attributable to the Sale Shares as at 30 September 2018 is approximately US\$79,304,000. There is no difference between the book value and NTA of the Sale Shares.

6.2 **Latest Available Open Market Value.** The latest available open market value of the Sale Shares, being the weighted average price attributable to the Sale Shares transacted on 3 January 2019, being the last full trading day preceding the date of this Announcement, is approximately S\$172,018,247.

6.3 **Excess of Consideration over Book Value.** Based on the book value of the Sale Shares as set out in section 6.1 above, the amount of excess of the Consideration over the said book value is approximately S\$94,914,417.³

³ This figure is based on the book value of the Sale Shares of US\$79,304,000 in section 6.1 being an equivalent of approximately S\$108,178,586, by applying an exchange rate of US\$1.00 to S\$1.3641, being the exchange rate extracted from Bloomberg L.P. dated 3 January 2019.

6.4 **Excess of Consideration over Open Market Value.** Based on the open market value of the Sale Shares as set out in section 6.2 above, the amount of excess of the Consideration over the said open market value is approximately S\$31,074,756.

6.5 **Net Profits Attributable to Sale Shares and Gain on Disposal.** The net profits before income tax, minority interests and extraordinary items attributable to the Sale Shares to be disposed are approximately US\$3,448,000 for the quarter ended 30 September 2018. Based on the unaudited consolidated financial statements of the CHH Group as at 30 September 2018, the Company expects to realise a gain on disposal of approximately US\$69,181,000.

7. FINANCIAL EFFECTS

7.1 **Illustrative Nature of Financial Effects.** The financial effects of the Proposed Disposal on the NTA per share in the paid-up and issued capital of the Company (“**Share**”) and earnings per Share (“**EPS**”) of the CHH Group, prepared based on the audited consolidated financial statements of the CHH Group for FY2018 are set out below. The financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position and actual financial performance of the CHH Group after the completion of the Proposed Disposal.

7.2 **NTA.** Assuming the Proposed Disposal had been completed on 30 June 2018, being the end of the most recently completed financial year of the Company, the financial effects on the NTA per Share would be as follows:

	FY2018	After the Proposed Disposal
NTA (US\$'000)	285,586	357,811
No. of issued ordinary shares	928,272,850	928,272,850
NTA per share (US cents)	30.77	38.55

7.3 **EPS.** Assuming the Proposed Disposal had been completed on 1 July 2017, being the beginning of the most recently completed financial year of the Company, the financial effects on EPS would be as follows:

	FY2018	After the Proposed Disposal
Profit attributable to ordinary shareholders (US\$'000)	13,274	80,171
Weighted average no. of ordinary shares	928,272,850	928,272,850
EPS (US cents)	1.43	8.64

8. CHAPTER 10 OF THE LISTING MANUAL

8.1 **Major Transaction.** Rule 1014 of the listing manual of the SGX-ST (the “**Listing Manual**”) provides that where any of the relative figures computed on the bases set out in Rule 1006 exceeds 20%, the transaction is classified as a major transaction and such transactions are subject to approval by shareholders at an extraordinary general meeting to be convened, unless waived or exempted by the SGX-ST.

8.2 **Relative Figures.** The Proposed Disposal would be regarded as a major transaction for the Company as the bases calculated based on Rule 1006(a), Rule 1006(b) and Rule 1006(c) exceed 20%. Set out below are the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual:

Rule 1006	Bases	Percentage (%)⁽¹⁾
(a)	The net asset value of the assets to be disposed of (<i>i.e.</i> the Sale Shares), compared with the CHH Group's net asset value	26.7% ⁽²⁾
(b)	The net profits attributable to the assets disposed of (<i>i.e.</i> the Sale Shares), compared with the CHH Group's net profits	65.4% ⁽³⁾
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	74.2% ⁽⁴⁾
(d)	The 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
(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 or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

Notes:

- (1) Percentage figures are rounded to the nearest one (1) decimal place.
- (2) Computed based on 76.70% of PCI's net asset value of US\$103,396,000 as extracted from PCI's consolidated unaudited financial results for the quarter ended 30 September 2018, compared to the CHH Group's net asset value of US\$297,454,000 as at 30 September 2018.
- (3) Computed based on 76.70% of PCI's net profits before income tax, minority interests and extraordinary items of US\$4,496,000 as extracted from PCI's unaudited consolidated financial statements for the quarter ended 30 September 2018, compared to the CHH Group's net profits before income tax, minority interests and extraordinary items of US\$5,273,000 as extracted from CHH's unaudited consolidated financial statements for the quarter ended 30 September 2018.
- (4) Computed based on market capitalisation of the Company of approximately S\$273,840,491 as at 3 January 2019, being the last full trading day preceding the date of this Announcement. The market capitalisation is calculated based on a total number of 928,272,850 shares in issue of the Company multiplied by the weighted average price of such shares on 3 January 2019.

8.3 **Shareholders' approval required.** Accordingly, the Proposed Disposal is classified as a major transaction and it is subject to approval by the Company's shareholders at an extraordinary general meeting to be convened, unless waived or exempted by the SGX-ST.

9. WAIVER APPLICATION

9.1 **Waiver from Rule 1014.** The Company made an application to seek a waiver ("**Waiver Application**") from the SGX-ST from having to obtain the approval of the Company's shareholders at an extraordinary general meeting under Rule 1014 of the Listing Manual prior to the completion of the Proposed Disposal, and for the SGX-ST's approval for the Company to instead seek its shareholders' ratification of the same at an extraordinary general meeting ("**Ratification EGM**") following the completion of the Proposed Disposal ("**Waiver**").

9.2 **Reasons for the Waiver Application.** The reasons for the Waiver Application were, *inter alia*:

- (a) the Company is of the view that following the Proposed Disposal, the Company would still have substantial business to operate and the Proposal Disposal will not materially change the risk profile of the Company;
- (b) the Company has sought approval for the Proposed Disposal from Kai Xin Guo Pte Ltd, which as at the date of this Announcement has a shareholding interest of approximately 51.52% in the Company. In this regard, the Company understands that Kai Xin Guo Pte Ltd will undertake to (i) not, directly or indirectly, transfer, dispose of or otherwise reduce any of its respective interests in the Shares before and up to the date of the Ratification EGM, and (ii) vote and / or procure its nominees to vote all of their Shares in favour of the resolution to vote in favour of the resolution at the Ratification EGM to approve the Proposed Disposal. Accordingly, the outcome of the Ratification EGM would be certain; and
- (c) with the undertaking from Kai Xin Guo Pte Ltd, minority shareholders of the Company will not be prejudiced if the Company does not seek shareholders' approval prior to the Proposed Disposal as the result of the shareholders' votes will be the same whether shareholders' approval is sought before or after the completion of the Proposed Disposal. In addition, the minority shareholders of the Company would be afforded an opportunity to discuss their views and opinions at the Ratification EGM.

10. SGX-ST WAIVER

10.1 The Company is pleased to announce that based on the Company's submissions and representations to the SGX-ST, the SGX-ST has no objection to the Waiver Application, subject to the following conditions ("**Waiver Conditions**"):

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual, and if the Waiver Conditions have been satisfied. If the Waiver Conditions have not been met on the date of the announcement, the Company must make an update announcement when the Waiver Conditions have all been met;
- (b) the sale price for the PCI Shares is at least S\$1.30 as represented by the Company;
- (c) the Company seeking shareholders' ratification of the Proposed Disposal at an EGM to be held by 31 May 2019; and
- (d) submission of an irrevocable undertaking ("**KXG Undertaking**") from the Company's controlling shareholder, Kai Xin Guo Pte Ltd, who holds 51.52% of the Shares to:

- (i) vote in favour of approving the Proposed Disposal by the Company at the Ratification EGM; and
- (ii) maintain a shareholding of more than 50% in the Company from the date of the grant of the Waiver by SGX-ST until after the Ratification EGM.

10.2 **Fulfillment of the Waiver Conditions.** Pursuant to the above, the Company would like to announce:

- (a) the Scheme Consideration is S\$1.33 in cash for each PCI Share, subject to and upon the Scheme becoming effective;
- (b) the Company intends to convene the Ratification EGM to seek shareholders' ratification of the Proposed Disposal by 31 May 2019 and a circular to Shareholders containing, *inter alia*, further information on the Proposed Disposal and the notice to convene the Ratification EGM will be dispatched to the Shareholders in due course; and
- (c) Kai Xin Guo Pte Ltd has provided the KXG Undertaking to the SGX-ST.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

11.1 **Interests of Directors in the Company.** The interests of the Directors in the Company based on the information as recorded in the Register of Directors' Shareholdings of the Company as at the date of this Announcement are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Mr. Peh Kwee Chim	19,379,000	2.09	478,264,490	51.52 ⁽¹⁾
Mr. Peh Siong Woon Terence	–	–	478,264,490	51.52 ⁽²⁾
Ms. Heng Su-Ling Mae	–	–	50,000	0.005
Mr. Lim Kwee Siah	230,000	0.0248	–	–

Notes:

- (1) Kai Xin Guo Pte Ltd (which has an interest in 51.52% of the issued share capital of the Company) is a wholly-owned subsidiary of Qing Shan Pte Ltd, which is in turn entirely held by TMF Trustees Singapore Limited as trustee of a trust constituted by Mr. Peh Kwee Chim ("Trust"). Mr. Peh Kwee Chim is a director of Kai Xin Guo Pte Ltd and is also the settlor of the Trust, and is therefore deemed, pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and Section 7 of the Companies Act, to have an interest in 478,264,490 Shares held by Kai Xin Guo Pte Ltd.
- (2) Mr. Peh Siong Woon Terence is a director of Kai Xin Guo Pte Ltd and is also the beneficiary of the Trust, and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the Companies Act, to have an interest in the 478,264,490 Shares held by Kai Xin Guo Pte Ltd.

11.2 **Interests of Substantial Shareholders.** The interests of the substantial shareholders in the shares of the Company based on the information as recorded in the Register of substantial shareholders' shareholdings of the Company as at the date of this Announcement are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. Shares	of %	No. Shares	of %
Kai Xin Guo Pte Ltd	478,264,490	51.52 ⁽¹⁾⁽²⁾	–	–
Mr. Peh Kwee Chim	19,379,000	2.09	478,264,490	51.52 ⁽³⁾
Qing Shan Pte Ltd			478,264,490	51.52 ⁽²⁾
TMF Trustees Singapore Limited			478,264,490	51.52 ⁽²⁾
Mr. Peh Siong Woon Terence	–	–	478,264,490	51.52 ⁽⁴⁾
Beamsbury Limited			478,264,490	51.52 ⁽⁵⁾

Notes:

- (1) Held in the name of its nominee, Citibank Nominees Singapore Pte Ltd.
- (2) Kai Xin Guo Pte Ltd is the owner of 51.52% of the issued share capital of the Company. Kai Xin Guo Pte Ltd is a wholly-owned subsidiary of Qing Shan Pte Ltd, which is in turn entirely held by TMF Trustees Singapore Limited as trustee of the Trust.
- (3) Mr. Peh Kwee Chim is a director of Kai Xin Guo Pte Ltd and is also the settlor of the Trust, and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the Companies Act, to have an interest in 478,264,490 Shares held by Kai Xin Guo Pte Ltd.
- (4) Mr. Peh Siong Woon Terence is a director of Kai Xin Guo Pte Ltd and is also the beneficiary of the Trust, and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the Companies Act, to have an interest in the 478,264,490 Shares held by Kai Xin Guo Pte Ltd.
- (5) Beamsbury Limited, the nominee corporate director of TMF Trustees Singapore Limited and sole director of Qing Shan Pte Ltd, manages, controls the operations and determines the policy with respect to Qing Shan Pte Ltd.

11.3 **Interests of Directors in PCI.** The following directors of the Company are also directors of PCI:

- (a) Mr. Peh Kwee Chim, who is an Executive Director of the Company, is also the Executive Chairman of PCI;
- (b) Mr. Peh Siong Woon Terence, who is the Chief Executive Officer and Executive Director of the Company, is also the Executive Vice Chairman of PCI; and
- (c) Mr. Lo Pang Foo Steven, who is Non-Executive, Independent Director and Chairman of the Company, is also a Non-Executive, Independent Director of PCI.

For the reasons set out in sections 11.1 and 11.2 above, Mr. Peh Kwee Chim and Mr. Peh Siong Woon, Terence are also deemed to be interested in the Sale Shares.

11.4 **No other interests.** Save as disclosed in this Circular, none of the Directors or substantial shareholders of the Company has any direct or indirect interest in the Proposed Disposal other than as disclosed above.

11.5 **No Directors' Service Contracts.** No person is proposed to be appointed as a director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated supervision delegated supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading. The Directors jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

**For and on behalf of the Board
of Chuan Hup Holdings Limited**

Valerie Tan May Wei
Company Secretary
4 January 2019