
THE PROPOSED DISPOSAL OF 100% INTEREST IN AN INDIRECTLY OWNED SUBSIDIARY, QF 10 PTE. LTD.

1. INTRODUCTION

Pursuant to Rule 704(18)(c) of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the board of directors (“**Board**”) of Enviro-Hub Holdings Ltd. (“**Company**”) wishes to announce that QF Properties Pte. Ltd. (“**QFP**”), a wholly-owned subsidiary of EH Property & Investments Pte Ltd (“**EHP**”), which is in turn a 51%-owned subsidiary of the Company, had as at the date hereof received a letter of offer dated 12 December 2014 (“**Letter of Offer**”) from Yew Seng Heng Development Pte. Ltd. (“**Purchaser**”), pursuant to which the Purchaser had offered to acquire the entire issued and paid-up share capital of QF 10 Pte. Ltd. (“**QF10**”) comprising 100 ordinary shares (“**Sale Shares**”) from QFP for a total purchase price calculated under paragraph 2.5.1 below and on the terms and subject to the conditions of the Letter of Offer (“**Proposed Disposal**”). QFP has on 18 December 2014 accepted the Letter of Offer. In this announcement, the Company and its subsidiaries are collectively referred to as the “**Group**”, and QFP and the Purchaser are collectively referred to as the “**Parties**”.

As none of the relative figures computed under Rule 1006 of the Listing Manual exceeds 5%, the Proposed Disposal is a non-discloseable transaction under Chapter 10 of the Listing Manual.

Upon completion of the Proposed Disposal (“**Completion**”), QF10 will cease to be a subsidiary of the Company.

2. THE PROPOSED DISPOSAL

2.1 Information on QF10

QF10 is a private company limited by shares and is principally involved in the business of investment holding. QF10 currently holds the properties located at 63 Hillview Avenue #10-02A, #10-02B, #10-12, #10-13, #10-20A and #10-20B, Lam Soon Industrial Building, Singapore 669569 (collectively, “**Property**”). Based on the unaudited accounts of QF10 for the nine-month financial period ended 30 September 2014, each of the net tangible asset (“**NTA**”) value/book value of QF10 is approximately S\$757,794.

The Property is currently held by QF10 as an investment property. Based on the latest available valuation dated 12 February 2014 commissioned by CKS Property Consultants Pte Ltd for financing purposes (“**Valuation Report**”), the market value of the Property as at 31 December 2013 (on market value basis) is S\$5,810,000.

2.2 Purchase Price for the Proposed Disposal

2.2.1 Computation of the Purchase Price

The total purchase price for the sale and purchase of the Sale Shares shall be the amount determined by deducting (i) the outstanding mortgage loan owing by QF10 to Hong Leong Finance Limited (“**HLF**”) in relation to the Property (“**Bank Loan**”), (ii) all outstanding shareholders’ and directors’ loans owed by QF10 to QFP or to any director or any company controlled by a director of QFP (if any) (collectively, the “**Related Loans**”), and (iii) all outstanding debts and liabilities owing by QF10 to third parties (if any) (“**Other Liabilities**”) from the sum of S\$7,000,000 (“**Purchase Price**”).

The Purchase Price was arrived at on a willing buyer-willing seller basis after taking into account the NTA value represented by the Sale Shares as at 30 September 2014.

For illustration only and on the assumption that the Bank Loan, Related Loans and Other Liabilities of QF10 as at Completion is the same as the Bank Loan, Related Loans and Other Liabilities of QF10 as at 30 September 2014, being the date of the latest announced consolidated accounts of the Group, the Purchase Price shall be an amount of S\$1,947,795 calculated as follows:

$$\begin{aligned}\text{Purchase Price} &= \text{S\$7,000,000} - \text{S\$4,165,000}^{(1)} - \text{S\$914,881}^{(2)} - (\text{S\$27,675})^{(3)} \\ &= \underline{\text{S\$1,947,795}}\end{aligned}$$

Notes:

- (1) Being the aggregate of the principal outstanding amount of the Bank Loan as at 30 September 2014;
- (2) Being the aggregate of the principal outstanding amount of the Related Loans as at 30 September 2014; and
- (3) Being the aggregate of the principal outstanding amount of the (negative) Other Liabilities (ie. outstanding debts and liabilities owing by third parties to QF10) as 30 September 2014.

2.2.2 Payment Terms

Under the terms of the Letter of Offer, the Purchase Price shall be payable by the Purchaser to QFP as follows:

- (a) the sum of S\$350,000 (“**Initial Deposit**”) shall be payable upon acceptance by QFP of the Letter of Offer;
- (b) the sum of S\$350,000 shall be payable upon execution of the SSA; and
- (c) the balance of the Purchase Price (“**Balance Purchase Price**”) shall be payable upon Completion.

Under the terms of the Letter of Offer, if the results of the due diligence to be conducted by the Purchaser on QF10 and the Property, (collectively, “**Due Diligence**”) is satisfactory but the Purchaser shall fail, neglect or refuse to execute the SSA by 30 January 2015 or such mutually agreed date, then the Initial Deposit shall be forfeited by QFP for its absolute benefit.

If the results of the Due Diligence is not satisfactory to the Purchaser or if any adverse findings are not rectified or remedied within 14 days from the date of notice to the

Purchaser's reasonable satisfaction, then the Initial Deposit shall be refunded to the Purchaser.

Shareholders and potential investors should note that the Proposed Disposal is in any event subject to the results of the Due Diligence being satisfactory, execution of a share sale agreement between the Parties and applicable regulatory requirements and accordingly should exercise caution when trading in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

3. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

Save for their respective directorships and/or shareholdings in the Company, if any, none of the directors and/or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Letter of Offer and the Valuation Report will be made available for inspection during normal business hours at the Company's registered office at 3 Tuas Avenue 2, Singapore 639443 for a period of three (3) months commencing from the date of this announcement.

5. MISCELLANEOUS

The Company will provide further updates on the Proposed Disposal as and when there are material developments thereon.

BY ORDER OF THE BOARD

Raymond Ng Ah Hua
Executive Chairman

18 December 2014