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## PROPOSED ACQUISITIONS – MEMORANDUM OF UNDERSTANDING

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### 1. INTRODUCTION

The board of directors (the “**Board**”) of Enviro-Hub Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has entered into a memorandum of understanding (the “**MOU**”) dated 18 March 2015 with BS Capital Pte. Ltd. (the “**Vendor**”) in relation to the proposed acquisition by the Company of 875 ordinary shares representing 87.5% of the total issued share capital of Carros Project Management Pte. Ltd. (“**CPM**”), and 490,000 ordinary shares representing 49.0% of the total issued share capital of EH Property & Investments Pte. Ltd. (“**EHPI**”), from the Vendor (the “**CPM and EHPI Acquisition**”).

### 2. INFORMATION ON CPM, EHPI AND THE VENDOR

#### 2.1 Information on CPM

CPM is a private limited company incorporated in the Republic of Singapore on 24 July 2012. As at the date of this announcement, CPM has a total issued and paid-up ordinary share capital of S\$1,000 comprising 1,000 ordinary shares held by the Company and the Vendor in the following shareholding proportion:

Shareholder	Number of Shares	Shareholding Proportion
The Company	125	12.5%
The Vendor	875	87.5%
<b>Total Number of Shares</b>	<b>1,000</b>	<b>100.0%</b>

CPM is principally engaged in the business of property development, property investment and other investment holding. CPM, through its subsidiary, Kranji Development Pte. Ltd., is engaged in the investment in and development of a seven storey multiple-user general industrial building at 108 Jalan Lam Huat known as “Carros Centre”.

#### 2.2 Information on EHPI

EHPI is a private limited company incorporated in the Republic of Singapore on 31 May 2013. As at the date of this announcement, EHPI has a total issued and paid-up ordinary share capital of S\$1,000,000 comprising 1,000,000 ordinary shares held by the Company and the Vendor in the following shareholding proportion:

Shareholder	Number of Shares	Shareholding Proportion
The Company	510,000	51.0%
The Vendor	490,000	49.0%
<b>Total Number of Shares</b>	<b>1,000,000</b>	<b>100.0%</b>

EHPI is principally engaged in the business of investment in and management of commercial and industrial properties. EHPI, through its wholly-owned subsidiaries, owns and manages "PoMo", a shopping mall cum office building at Selegie Road, and 93 units in the Lam Soon industrial building at Hillview Avenue.

### 2.3 Information on the Vendor

The Vendor is a private limited company incorporated in the Republic of Singapore on 8 November 2003. As at the date of this announcement, the Vendor has a total issued and paid-up ordinary share capital of S\$200,000 comprising 200,000 ordinary shares.

The Vendor is principally engaged in real estate activities and in providing services as general contractor for building construction works.

As Mr. Raymond Ng Ah Hua, the sole shareholder and a director of the Vendor, is also a director and controlling shareholder of the Company, the CPM and EHPI Acquisition will constitute an interested person transaction as defined under Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

## 3. **RATIONALE**

On 13 September 2013, the Company had obtained approval from its shareholders ("**Shareholders**") to expand its core business to include property development, management and investment (the "**Property Business**"). The Company currently owns 12.5% and 51.0% of the total issued share capital of CPM and EHPI respectively. The Board believes that the acquisition of the remaining shareholding in CPM and EHPI is in line with its strategic plans to grow the Property Business through expansion of the Group's portfolio of investment properties and development properties, and that this would share strong synergies with its construction business, provide impetus for future growth, as well as expand the Group's revenue base.

## 4. **PRINCIPAL TERMS OF THE MOU**

### 4.1 Definitive Agreements

The MOU sets out the in-principle terms and conditions on which the Company and the Vendor are willing to effect the CPM and EHPI Acquisition, subject to the Company and the Vendor executing the definitive agreements (the "**Definitive Agreements**") relating thereto.

The Company and the Vendor agree that the MOU shall be superseded by the Definitive Agreements to be entered into between the Company and the Vendor, which shall broadly be in accordance with the in-principle terms set out in the MOU (or as amended by mutual agreement of the Company and the Vendor) and such other terms that the Company and the Vendor may agree to include during the course of their negotiations or consider appropriate for the CPM and EHPI Acquisition. In the event of any inconsistency or conflict between the terms and conditions of the MOU and those contained in the Definitive Agreements, the terms and conditions in the Definitive Agreements shall prevail.

### 4.2 Consideration

The consideration for the CPM and EHPI Acquisition shall take into consideration the net asset value of CPM and EHPI and, where applicable, the valuation of the properties owned by CPM and EHPI or, where the properties owned by CPM and EHPI comprise properties under development, the gross development value of such properties.

The consideration shall be wholly satisfied through the issuance of such number of ordinary shares in the capital of the Company (the "**Shares**") at such issue price, as may be mutually agreed between the Vendor and the Company in the Definitive Agreements (the "**Consideration Shares**") taking into account the market price of the Company's shares at the time of the signing of the Definitive Agreements.

#### 4.3 Conditions Precedent

The completion of the CPM and EHPI Acquisition (“**Completion**”) shall be subject to the customary conditions precedent for transactions of this nature, including, *inter alia*, the following:

- (a) the results of such legal and financial due diligence investigations (“**Due Diligence**”) on CPM and EHPI conducted by the Company and its advisors being reasonably satisfactory to the Company and in compliance with the requirements of the Listing Manual of the SGX-ST;
- (b) all required consents, including but not limited to any consent, approval or action or the filing or giving of notice to, any governmental agency or any other person in connection with the CPM and EHPI Acquisition (the “**Required Consents**”), shall have been obtained without any restriction or limitation which is unacceptable to the Company (in the Company’s reasonable opinion), and be in full force and effect, and the Company shall have been furnished with evidence satisfactory to it of the granting of such Required Consents, including, *inter alia*, the approval of independent Shareholders to waive their rights to receive a general offer from Mr. Raymond Ng Ah Hua and his concert parties in connection with the CPM and EHPI Acquisition (the “**Whitewash Resolution**”); and
- (c) an independent financial adviser (“**IFA**”) to the independent directors of the Company is appointed by the Company and the IFA is of the opinion that:
  - (i) the transactions contemplated in the Definitive Agreements are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, in compliance with Chapter 9 of the Listing Manual of the SGX-ST; and
  - (ii) the Whitewash Resolution is not prejudicial to the interests of the Company and its independent Shareholders.

#### 4.4 Exclusivity

For the period of three months commencing from the date of the MOU or such other period as may be mutually agreed by the Parties (the “**Exclusivity Period**”), in consideration of the time, cost and expense incurred or to be incurred by the Company for due diligence and negotiations, the Vendor shall:

- (a) not, directly or indirectly, encourage, solicit, initiate or engage in discussions or negotiations with, or provide any information to, or consider or accept any offer from, any other person(s) concerning the subject matters contained herein or any other transaction which would contradict or adversely affect the CPM and EHPI Acquisition; and
- (b) immediately cease and cause to be terminated and not negotiate, entertain or engage in any discussions or understandings with any other person(s) concerning the subject matters contained herein or any other transaction which would contradict or adversely affect the CPM and EHPI Acquisition.

This term on the Exclusivity Period shall lapse on the earlier of (i) the expiry of the Exclusivity Period or (ii) the execution of the Definitive Agreements. The Company and the Vendor may mutually agree in writing to extend or terminate the Exclusivity Period.

#### 4.5 Termination

Save for certain specified terms which shall survive termination, the MOU shall lapse and cease to have any effect in the event the Company and the Vendor have not entered into the Definitive Agreements upon the expiry of the Exclusivity Period.

#### 4.6 Other Agreements

The Company and the Vendor have further undertaken under the MOU to procure, on a best efforts basis, the signing of the following agreements which are necessary to give effect to the other transactions and acquisitions contemplated in the MOU, on such terms and conditions mutually agreeable to the relevant parties thereto:

- (a) the sale and purchase agreement between the Company and BS Investors Pte. Ltd. in relation to the proposed acquisition by the Company of 200,000 ordinary shares representing 20.0% of the total issued ordinary share capital of Kranji Development Pte. Ltd., and 20 ordinary shares representing 20.0% of the total issued share capital of BS Bendemeer Pte. Ltd., from BS Investors Pte. Ltd. (the “**KD and BS Acquisition**”);
- (b) the sale and purchase agreement between the Company and Enviro-Power Pte. Ltd. in relation to the proposed acquisition by the Company of 30,000 ordinary shares representing 100.0% of the total issued share capital of Enviro Property Pte. Ltd. from Enviro-Power Pte. Ltd. (the “**EPPL Acquisition**”); and
- (c) the sale and purchase agreement between the Company, Marina Investment Holding Pte. Ltd. and Quek Ngah Yeong in relation to the proposed acquisition by the Company of 1,512,000 ordinary shares representing 100.0% of the total issued share capital of Marina Country Club Pte. Ltd. from Marina Investment Holding Pte. Ltd. and Quek Ngah Yeong (the “**MCC Acquisition**”).

The CPM and EHPI Acquisition, KD and BS Acquisition, EPPL Acquisition and MCC Acquisition shall be collectively referred to as the “**Proposed Acquisitions**”.

#### 5. **FUND RAISING EXERCISE**

In connection with the Proposed Acquisitions, the Company intends to undertake a fund raising exercise at an appropriate time by an issue of new Shares, convertible loan securities and/or other capital market instruments to fund its working capital and future developments or expansion plans.

#### 6. **DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS**

As at the date of this announcement:

- (a) Mr. Raymond Ng Ah Hua holds 39.2% of the total issued share capital of the Company and is the Executive Chairman and controlling Shareholder of the Company;
- (b) Mr. Raymond Ng Ah Hua holds 100.0% of the total issued share capital of the Vendor and is a director of the Vendor;
- (c) Mr. Raymond Ng Ah Hua and his spouse, Mdm. Ng Sok Eng, together hold 100.0% of the total issued share capital of BS Fund Management Pte. Ltd. which in turn holds 100.0% of the total issued share capital Marina Investment Holding Pte. Ltd.;
- (d) Mr. Lai Huen Poh holds 0.3% of the total issued share capital of the Company and is a non-executive director of the Company; and
- (e) Mr. Lai Huen Poh holds 50.0% of the total issued share capital of VA Development Pte. Ltd. which in turn holds 50.0% of the total issued share capital of BS Investors Pte. Ltd..

Save as disclosed above, as at the date of this announcement, none of the other directors and/or controlling Shareholders of the Company has any interest, direct or indirect, other than through their directorships and/or shareholdings in the Company, if any, in the Proposed Acquisitions.

**7. FURTHER ANNOUNCEMENT**

As at the date of this announcement, no Definitive Agreements have been executed in relation to the CPM and EHPI Acquisition. The Company will make further announcements upon the execution of the Definitive Agreements and/or when there are material developments in respect of the Proposed Acquisitions.

**8. CAUTIONARY STATEMENT**

**Shareholders and investors are advised to exercise caution when trading in the Shares as there is no certainty or assurance as at the date of this announcement that (i) the Definitive Agreements in respect of the CPM and EHPI Acquisition and/or the sale and purchase agreements in respect of the KD and BS Acquisition, EPPL Acquisition and MCC Acquisition will be entered into; (ii) the final terms in the Definitive Agreements in respect of the CPM and EHPI Acquisition (if entered into) will not change from that in the MOU; and (iii) the Proposed Acquisitions will be proceeded with.**

**Shareholders and investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and investors should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

**BY ORDER OF THE BOARD**

**RAYMOND NG AH HUA  
EXECUTIVE CHAIRMAN**

18 March 2015