

CHUAN HUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 197000572R

ACQUISITION OF LAND

1. INTRODUCTION

- 1.1 **Formation of Subsidiary.** The Board of Directors of Chuan Hup Holdings Limited (“the Company”) wishes to inform that the Company has through its subsidiary, Ventrade (Asia) Pte. Ltd., formed a new subsidiary named “Ventrade Australia Pty Ltd” (“Ventrade Australia”) in Western Australia. Ventrade Australia has a paid-up and issued share capital of A\$1.00 and will be carrying on the business of property development in Western Australia.
- 1.2 **Acquisition of Land.** Ventrade Australia has entered into a Sale Agreement with Australian Broadcasting Corporation (“ABC”) to purchase the former ABC site located at 187 Adelaide Terrace, East Perth, Western Australia (the “Land”) for a purchase consideration of A\$37,580,000, excluding government taxes (the “Purchase Consideration”) (the “Acquisition”). The Land is a prime 1.28 hectare site located within the Perth metropolitan area, with 75 metre frontages to both Terrace Road and Adelaide Terrace. The portion of the Land with frontage to Adelaide Terrace is zoned commercial and allows for a mixture of office, residential, serviced apartment, hotel and retail development subject to council approval. The portion of the Land with Terrace Road frontage is zoned residential.
- 1.3 **Purchase Consideration.** The Purchase Consideration for the Acquisition was arrived at on a willing buyer willing seller basis. 10 per cent of the Purchase Consideration was paid by way of cheque today and the balance of the Purchase Consideration will be paid on 13 October 2008. The Purchase Consideration will be paid in cash.
- 1.4 **Asset Value.** The Company had engaged Savills (WA) Pty Ltd to undertake an independent valuation of the Land. As at 28 July 2008, the market valuation of the land was A\$30,250,000.
- 1.5 **No Net Profit attributable to Acquisition.** There is no profit attributable to the Acquisition as it is the former site of the ABC radio and television studios and is not tenanted.

2. DISCLOSEABLE TRANSACTION

Relative Figures under Rule 1006. The relative figures for the Acquisition computed on the bases set out in Rule 1006 (“**Rule 1006**”) of the SGX-ST Listing Manual, based on the latest announced consolidated accounts (unaudited) of the Company for the financial year ended 30 June 2008 are set out below:

Rule 1006	Bases	Acquisition (US\$ million)	Group (US\$ million)	Relative Figures (%)
(a)	Net profits attributable to the Land acquired compared with net profits of the Group	NA ⁽¹⁾	19.48	NA ⁽¹⁾

(b)	The Purchase Consideration ⁽²⁾ compared with market capitalisation of the Company ⁽³⁾	30.36	220.64	13.76
(c)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	NA	NA	NA

- (1) There is no profit attributable to the Land as it is the former site of the ABC radio and television studios and is not tenanted.
- (2) The Purchase Consideration is based on the exchange rate of US\$1 : A\$0.80795 on 12 September 2008.
- (3) The market capitalisation of the Company is based upon 1,005,273,450 Shares in issue as at 12 September 2008 at the price of S\$0.315 per Share (equivalent to US\$0.2195 per Share based on the exchange rate of US\$1 : S\$1.4352) transacted on 12 September 2008.

3. FINANCIAL EFFECTS

3.1 **Assumption.** For illustrative purposes only, the financial effects of the Acquisition on the share capital, net tangible assets (“**NTA**”) per share and earnings per share of the Company, based on the latest announced consolidated accounts (unaudited) of the Company for the financial year ended 30 June 2008 are set out below.

3.2 **Share capital.** The Acquisition will not have any impact on the issued and paid-up share capital of the Company.

3.3 **NTA.** Assuming that the Acquisition had been completed on 30 June 2008, being the end of the most recently completed financial year, the effect on the **NTA** per share of the Group as at 30 June 2008 is as follow:

	<u>Before the Acquisition</u>	<u>After the Acquisition</u>
NTA (US\$ million)	291.66	291.66
NTA per share (US cents)	28.90	28.90

Note:

- (1) The effect on the NTA of the Group has been calculated assuming that Ventrade Australia acquired the Land on 30 June 2008.

3.4 **Earnings.** Assuming that the Acquisition had been completed on 1 July 2007, being the beginning of the most recently completed financial year, the effect on the earnings per share of the Group for the financial year ended 30 June 2008 is as follows:

	<u>Before the Acquisition</u>	<u>After the Acquisition</u>
Profit attributable to shareholders of the Group (US\$ million)	19.48	19.48
Weighted average number of shares of the Group (million)	1,053.94	1,053.94
Earnings per share (US cents)	1.85	1.85

Note:

- (1) The earnings per share has been calculated assuming the Acquisition was completed at the beginning of the most recently completed financial year and that Ventrade Australia had acquired the Land at the beginning of the financial year, i.e. 1 July 2007.

4. **JOINT VENTURE**

Ventrade Australia will enter into a joint venture with Finbar Group Limited (“Finbar”), the Company’s associated company, to carry out the re-development of the Land. Finbar is a property developer in Australia with a successful track record in developing luxury residential apartments and heritage building integration.

Ventrade Australia and Finbar will form an unincorporated joint venture pursuant to which Ventrade Australia will contribute the Land and Finbar will contribute one half of the Purchase Consideration of the Land as additional working capital (the “Joint Venture”). Ventrade and Finbar will share equally in the development profit.

The Joint Venture intends to develop a landmark luxury apartment development on the Terrace Road frontage to benefit from the uninterrupted views of the Swan River. The Joint Venture will consider many options available for the development of the Adelaide Terrace frontage which will include the integration of the former ABC administration block and radio building into any proposed redevelopment due to the heritage significance and listing of the former home of ABC.

5. **RATIONALE FOR THE ACQUISITION**

The Directors believe that securing this Acquisition is a strategic opportunity for the Group. The Land is a residential and commercial development site in a prime location in Perth City, one of the few remaining sites in such a location. The Directors believe that the Acquisition and the Joint Venture will allow the Group to leverage on Finbar’s experience in property development to secure a good return to shareholders.

6. **DIRECTORS’ INTEREST AND CONTROLLING SHAREHOLDERS’ INTEREST**

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition. Save that Mr Peh Kwee Chim, Director, has a 4.39% direct interest in Finbar and a 17.77% deemed interest in Finbar (by virtue of the Company’s 17.77% direct interest in Finbar), none of the directors or controlling shareholders of the Company has any interest, direct or indirect in the Joint Venture.

7. **SERVICE CONTRACTS**

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

8. DOCUMENTS FOR INSPECTION

Copies of the Sale Agreement and Valuation Report are available for inspection at the registered office of the Company during normal business hours for a period of 3 months from the date of this Announcement.

BY THE ORDER OF THE BOARD

Valerie Tan May Wei
Company Secretary
Singapore, 15 September 2008