

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

NEW ASSOCIATED COMPANY – FINBAR GROUP LIMITED

1. INTRODUCTION

The Board of Directors of Chuan Hup Holdings Limited (“**Chuan Hup**” or the “**Company**”) wishes to announce that the Company has been accorded two board seats in Finbar Group Limited (“Finbar”).

Finbar is an Australian property development company listed on the Australian Stock Exchange.

Ms Teng Yuun Yean, the Company’s Group Chief Financial Officer, and Mr Loh Kee Kong are the Company’s nominated representatives to the board of directors of Finbar. Ms Teng was appointed as a non-executive director of Finbar on 17 December 2015 and Mr Loh will be appointed as the Company’s nominated representative to Finbar’s board with effect from 16 February 2016. Chuan Hup’s representation on the board of Finbar enables Finbar to become an associated company of Chuan Hup.

2. EQUITY ACCOUNTING FOR ASSOCIATE

The Company’s direct equity stake of 18.0% in Finbar as at 30 June 2015, was accounted for as an available-for-sale investment in the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the financial year ended 30 June 2015 (“FY2015”).

Going forward, with Finbar as an associated company, this allows the Group to equity account for the results of Finbar and its subsidiaries (collectively, the “Finbar Group”) as an associate and reflect the Group’s share of the associate’s profit or loss in accordance with Singapore Financial Reporting Standard 28 (FRS 28 – Investments in Associates), which is more reflective of the attributable results of the associate rather than the distributions received from it.

Based on (i) the audited consolidated financial statements of the Group for FY2015 and the Finbar Group’s audited consolidated financial statements for FY2015, and (ii) the assumptions set out below:

- (a) if Finbar had become an associated company of Chuan Hup on 30 June 2015, there would have been no impact on the Group’s net tangible assets (“NTA”) per share as at 30 June 2015; and
- (b) if Finbar had become an associated company of Chuan Hup on 1 July 2014, the Group’s earnings per share (“EPS”) for FY2015 would have increased from 3.93 US cents to 8.46 US cents.

Assumptions:

The above computation is based on the Group's 18.0% equity interest in the Finbar Group as at 30 June 2015 and it demonstrates the financial impact to the Group's NTA and EPS from equity accounting for a share of the Finbar Group's results for the relevant periods#. It does not take into account any financial impact to the Group's NTA and EPS for the relevant periods#, which may arise from the accounting of goodwill on acquisition of Finbar's shares in accordance with FRS 103 as it is not practicable to do so until a fair valuation of the Finbar Group is completed, estimated to be available during the 3rd quarter of FY2016. Thus, for purposes of the above computation, the goodwill impact on the Group's NTA and EPS is assumed to be neutral.

#Relevant periods: on NTA – as at 30 June 2015; and on EPS – financial year ended 30 June 2015.

Shareholders and potential investors should note that the foregoing financial effects on NTA and EPS are purely for illustrative purposes only and are not representative of the Group's future performance.

The attainment of the board seats in Finbar has no impact on the Group's gearing or the share capital of the Company.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the investment (save through their shareholding interests, if any, in the Company and Finbar).

By Order of the Board
Chuan Hup Holdings Limited

Valerie Tan May Wei
Company Secretary
15 February 2016