

**CHUAN HUP HOLDINGS LIMITED**  
(Company Registration No. 19700572R)  
(Incorporated in the Republic of Singapore)  
(the “**Company**”)

**LOAN AGREEMENT BETWEEN WHOLLY OWNED SUBSIDIARY OF THE COMPANY AND PSD HOLDINGS PTE. LTD.**

**1. INTRODUCTION**

Further to the announcement made by the Company on 21 April 2016, the board of directors (the “**Board**” or the “**Directors**”) of the Company wishes to announce that CH Biovest Pte. Limited (the “**Lender**”), a wholly owned subsidiary of the Company, has entered into a new loan agreement dated **30 May 2016** (“**Loan Agreement**”) with PSD Holdings Pte. Ltd. (the “**Borrower**”). The Company has decided to extend a Loan (as defined below) in addition to the previous loan granted to the Borrower under a loan agreement dated 24 April 2015. The rationale for the Company’s entry into, and principal terms of, the Loan Agreement are set out below.

**2. RATIONALE AND BACKGROUND**

The Lender has entered into the Loan Agreement to optimise returns on its available funds. This is consistent with the overall objective of the Company and its subsidiaries (the “**Group**”) of enhancing shareholder value.

The Borrower is a Singapore incorporated investment holding company and is the sole shareholder of Pacific Star Development Pte. Ltd (“**PSD**”), a property development company with a special focus to source, evaluate, invest and proactively commit to the planning, development and management of prime development projects in the Asia region. PSD has ownership interests in various property assets in Malaysia and Thailand.

Pursuant to the Loan Agreement, the Lender will disburse a loan of US\$7,000,000 (“**Loan**”) to the Borrower on **31 May 2016** (the “**Drawdown Date**”).

**3. PRINCIPAL TERMS**

A summary of the principal terms of the Loan Agreement is set out below:

- (a) Term: Pursuant to the Loan Agreement, the term of the Loan (“**Term**”) commenced on the Drawdown Date and will expire on a day being twenty-four (24) months from the Drawdown Date.
- (b) Interest: The interest on the Loan is 8% per annum, and computed on a non-compounding basis (“**Interest**”) and calculated by reference to the outstanding principal amount of the Loan.

- (c) Distribution in satisfaction of the Loan (“Distribution Clause”): During the Term (including the expiry date of the Term), in the event that the Borrower enters into a definitive agreement with any company (“**SGX Purchaser**”) listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the sale and transfer of all its shares in PSD to the SGX Purchaser, the entire amount of the Loan and all Interest accrued thereto shall be converted into shares in the SGX Purchaser (which shares shall be free from all charges and encumbrances) (the “**Listco Shares**”) based on an agreed formula.

If and when the Distribution Clause is triggered, the Company will comply with its obligations under all applicable regulations, including the SGX-ST Listing Manual.

4. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for the aforesaid, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Loan Agreement, save through their respective shareholdings in the Company, if any.

5. **DOCUMENT AVAILABLE FOR INSPECTION**

The Loan Agreement is available for inspection during normal business hours at the Company’s registered office for three (3) months from the date of this announcement.

6. **UPDATES**

The Company will provide further updates where necessary.

By Order of the Board

Valerie Tan May Wei  
Company Secretary  
30 May 2016