

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

NEW ASSOCIATED COMPANY – KEYLAND AYALA PROPERTIES INC.

1. INTRODUCTION

Chuan Hup Holdings Limited (“**Chuan Hup**” or the “**Company**” and together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Group has been invited to appoint representatives to the board of Keyland Ayala Properties Inc. (“**Keyland Ayala**”) and accorded two board seats in Keyland Ayala.

Keyland Ayala is a property and development company in the Philippines, in which the Company’s wholly-owned subsidiary, Provest Global Pte. Ltd. (“**Provest Global**”), has a direct equity stake of 32.52%.

Mr Peh Siong Woon Terence, the Company’s Chief Executive Officer and Executive Director, and Mr Lim Kwee Siah, the Company’s Non-Executive Director, are the Group’s nominated representatives to the board of directors of Keyland Ayala. Mr Peh and Mr Lim have been appointed as the Company’s nominated representatives to Keyland Ayala’s board with effect from 31 October 2019. Provest Global’s representation on the board of Keyland Ayala requires Keyland Ayala to be accounted for as an associated company of Chuan Hup.

2. EQUITY ACCOUNTING FOR ASSOCIATE

Provest Global’s direct equity stake of 32.52% in Keyland Ayala as at 30 June 2019, was accounted for as a financial asset at fair value through other comprehensive income in the audited consolidated financial statements of the Group for the financial year ended 30 June 2019 (“FY2019”).

Going forward, with Keyland Ayala as an associated company, the Group is required to equity account for the results of Keyland Ayala and its subsidiary (collectively, the “**Keyland Ayala Group**”) as an associate and reflect the Group’s share of the associate’s profit or loss in accordance with Singapore Financial Reporting Standard (International) 1-28 (SFRS(I) 1-28 Investments in Associates and Joint Ventures).

Based on (i) the audited consolidated financial statements of the Group for FY2019 and the Keyland Ayala Group’s financial statements for the period ended 30 June 2019, and (ii) the assumptions set out below:

- (a) if Keyland Ayala had become an associated company of Chuan Hup on 30 June 2019, it will not have any impact on the Group’s net tangible assets (“NTA”) per share of 29.00 US cents as at 30 June 2019; and

- (b) if Keyland Ayala had become an associated company of Chuan Hup on 1 July 2018, the Group's earnings per share ("EPS") from continuing and discontinued operations for FY2019 would have increased from 4.73 US cents to 4.77 US cents.

Assumptions:

The above computation is based on the Group's 32.52% equity interest in the Keyland Ayala Group as at 30 June 2019 and it demonstrates the financial impact to the Group's NTA and EPS from equity accounting for a share of the Keyland Ayala 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 Keyland Ayala's shares in accordance with SFRS(I) 3 as it is not practicable to do so until a fair valuation of the Keyland Ayala Group is completed, estimated to be available during the fourth quarter of FY2020. 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 2019; and on EPS – financial year ended 30 June 2019.

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 Keyland Ayala has no impact on the Group's gearing or the share capital of the Company.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Peh and Mr Lim hold one share each in Keyland Ayala to qualify as nominees of Provest Global on the Board of Directors of Keyland Ayala.

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 save for the one share each in Keyland Ayala held by Mr Peh and Mr Lim).

By Order of the Board

Valerie Tan May Wei
Company Secretary
31 October 2019