

CHUAN HUP HOLDINGS LIMITED

(Co. Reg. No. 197000572R)

(Incorporated in the Republic of Singapore)

Update on Loan to Major Star Holdings Limited

The Board of Directors of Chuan Hup Holdings Limited (the “**Company**”) refers to its announcements dated 30 September 2016, 30 November 2016, 31 December 2016, 9 February 2017, and 15 February 2017 in relation to the loan agreement between the Company’s subsidiary, CH Biovest Pte. Limited (“**CHB**”), and Major Star Holdings Limited (“**MSH**”) dated 30 September 2016 (the “**Loan Agreement**”).

The sole shareholder of MSH, Mr Chan Fook Kheong (the “**Guarantor**”), executed a Deed of Guarantee dated 30 September 2016 under which he personally guaranteed the repayment of MSH’s obligations under the Loan Agreement if for any reason and at any time MSH did not fulfil its obligations under the Loan Agreement or fails to make payment under the Loan Agreement.

The loan (and accrued interests) was due in the 2nd Quarter ended 31 December 2019.

MSH requested twice to extend the time to repay the loan but the requests were rejected by CHB. Instead, CHB informed MSH and the Guarantor to repay the loan and accrued interests when it became due.

Despite written demands, MSH and the Guarantor failed to repay the loan. CHB subsequently served a Statutory Demand (“**SD**”) on the Guarantor to repay the loan. The Guarantor having failed to set aside the SD, CHB proceeded to file a bankruptcy application against the Guarantor. The Guarantor then sought and obtained a few extensions of time of the bankruptcy hearing on the basis he was looking for ways to repay the debt.

On 19 March 2020, as the debt remained unpaid, the High Court made a bankruptcy order against the Guarantor and also appointed Mr Yit Chee Wah of FTI Consulting (Singapore) Pte Ltd as the trustee of the Guarantor’s estate.

The Board of Directors of the Company has reviewed and decided to make an allowance for impairment loss of US\$8,832,408 for the outstanding receivable pending the outcome of the debt recovery process.

The Company will make further announcements as and when there are material developments concerning this matter.

By Order of the Board
Chuan Hup Holdings Limited

Valerie Tan May Wei
Company Secretary
19 March 2020