

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

**FACILITY AGREEMENT BETWEEN WHOLLY OWNED SUBSIDIARY OF THE COMPANY AND
WHOLLY OWNED SUBSIDIARY OF FINBAR GROUP LIMITED**

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of the Company wishes to announce that Ventrade Australia Pty Ltd (the “**Lender**”), a wholly owned subsidiary of the Company, has entered into a facility agreement dated 6 August 2020 (“**Facility Agreement**”) with 36 Chester Avenue Pty Ltd (the “**Borrower**”), a wholly owned subsidiary of Finbar Group Limited (“**Finbar**”). The rationale for the Company’s entry into, and principal terms of, the Facility Agreement are set out below.

2. RATIONALE AND BACKGROUND

The Lender has entered into the Facility 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 an Australian incorporated company and a wholly owned subsidiary of Finbar. Finbar is an Australian property development company listed on the Australian Securities Exchange and an associated company of the Company. The Company has a 20.53% shareholding interest in Finbar.

3. PRINCIPAL TERMS

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

- (a) Commitment: A\$25,000,000
- (b) Purpose of facility: The facility is to be used as working capital for the construction of 128 residential apartment units at the land site known as 36 Chester Avenue, Dianella, Western Australia (the “**Land**”), of which the Borrower is the owner (the “**Project**”).
- (c) Term: Pursuant to the Facility Agreement, the term of the facility (“**Term**”) commenced on 6 August 2020 (“**Commencement Date**”) and will conclude on either 30 September 2022 or such earlier date on which the facility amount is repaid in full.
- (d) Initial Drawdown Date: 1 October 2020.
- (e) Interest: The interest on the facility amount is 3% per annum (“**Interest Rate**”) (including on interest that is capitalised) and will be calculated on the daily balance of the facility amount on the basis of a 365 day year. Interest payable will be capitalised monthly into the facility amount.
- (f) Line Fee: A line fee of 1.5% per annum is payable on the Commitment from the Commencement Date until the first repayment, and thereafter on the balance of the facility amount outstanding until repaid in full. The Line Fee payable is capitalised into the facility amount. The capitalised Line Fee will bear interest at the Interest Rate from the date of capitalisation up to the date of payment.

- (g) Repayment: The facility will be repayable from the proceeds of the sale of the units upon completion of the Project and settlement of the individual units.
- (h) Mortgage: The Borrower will grant the Lender a first ranking mortgage over the Land and all improvements on the Land.
- (i) Guarantee: Finbar has provided a guarantee for the facility amount.

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

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Facility Agreement, save through their respective shareholdings in the Company, if any, and save that Mr Peh Kwee Chim, Director and controlling shareholder, has a 1.68% direct interest in Finbar, and Mr Peh Siong Woon Terence, Director and controlling shareholder, is a Director of Finbar.

5. **DOCUMENT AVAILABLE FOR INSPECTION**

The Facility 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
6 August 2020