

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

RESPONSES TO QUERIES FROM SINGAPORE EXCHANGE REGULATION (the “SGX RegCo”)

The Board of Directors (the “**Board**”) of Chuan Hup Holdings Limited (the “**Company**”) refers to the Company’s announcement made on 25 August 2023 in relation to the unaudited condensed consolidated financial statements for the financial year ended 30 June 2023 (“FY2023”) and wishes to provide its responses to the following queries raised by the SGX RegCo on 18 September 2023.

Query 1:

It is noted that the Company has a net cash outflow from operating activities of US\$7,881,000 and a net profit of US\$5,787,000 for the financial year ended 30 June 2023. Please explain why the Company is unable to generate net cash inflow from its operating activities, despite the Company’s net profit position for the financial year.

Response:

The Group’s net profit of US\$5,787,000 comprised of non-cash items including share of results of associates and joint ventures of US\$5,763,000 and changes in fair value of investment securities of US\$1,537,000. The net cash outflow from operating activities of US\$7,881,000 as shown in the condensed consolidated statement of cash flows was mainly attributable to the acquisition of 25 Jalan Selanting property in Singapore for redevelopment purposes.

Query 2:

Please provide the reason(s) for the significant increase in borrowings of US\$4,860,000 by the Group when the Group recorded a cash and cash equivalent of US\$42,684,000 as at 30 June 2023.

Response:

The borrowing of US\$4,860,000 was utilised to finance the acquisition and the construction costs of the property development project at 25 Jalan Selanting property which was acquired during the year. The Group has leveraged on financing for its property development project within its ordinary course of business and to conserve its cash for other business opportunities which may arise in future.

Query 3:

Please explain the significant increase in development properties from US\$571,000 as at 30 June 2022 to US\$8,294,000 as at 30 June 2023, taking into consideration that the Group now undertakes development property projects through joint ventures.

Response:

The development properties of US\$8,294,000 as at 30 June 2023 comprised of acquisition and construction costs relating to a development property project at 25 Jalan Selanting in Singapore which was acquired during the year and undertaken by the Group's wholly owned subsidiary.

Query 4:

It is disclosed on page 15 of the unaudited financial statements that, the Group recorded lower gains on investment trading by USD 1,700,000 in FY2023, while interest income increased by USD 1,700,000 in FY2023 due to higher deposit rates.

Please explain the reasons which led to lower gains on investment trading.

Response:

Lower gains recorded on investment trading was mainly due to lower trading activities relating the Group's investment securities undertaken during the financial year.

BY ORDER OF THE BOARD

Anne Liew Mei Hong
Company Secretary
19 September 2023