

HANWELL HOLDINGS LIMITED

(Company Registration No. 197400888M)
(Incorporated in the Republic of Singapore)
(the “Company”)

INVESTMENT OF PROPERTY IN KYOTO CITY, JAPAN THROUGH AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, 和株式会社 (“NAGOMI CO., LTD”)

1. INTRODUCTION

The Board of Directors (the “Board”) of Hanwell Holdings Limited (the “Company”) wishes to announce that its indirect wholly owned subsidiary, 和株式会社 (“Nagomi Co., Ltd”), has on 24 July 2018 entered into a sale and purchase agreement with the seller, 株式会社テン (TEN Co., Ltd) for the acquisition of an immovable property in Japan located at Kyoto City, Higashiyama-ku, Gion Machikitagawa 305, Japan that has a land area of 90.53 sqm and a total buildable area of 72 sqm to build a 5-storey commercial building at an allowable building area of 360 sqm (the “Property”) (the “Acquisition”).

2. INFORMATION ON THE ACQUISITION

2.1 Information on the Property

The Property is in Gion, Kyoto’s tourist destination that offers ample lifestyle, food and beverage amenities. Strategically located, the Property is in close proximity to well established shopping malls, restaurants and the Yasaka Shrine, also known as Gion Shrine, one of the famous shrines in Kyoto that tourists visit. The Property has the potential to be a core investment of the Company.

2.2 Rationale for the Acquisition

The Acquisition is in line with the Company’s business strategy of redeploying capital into potentially higher return real estate opportunities. In particular, the Property would be utilised by the Company as a stepping stone to expand its food business in Japan.

The Acquisition is within the Group’s ordinary course of business.

2.3 Information on the Consideration

The consideration of the Property at JP¥240 million (equivalent to approximately SGD2,948,041¹) was arrived at after arm’s length negotiations, on a “willing buyer and willing seller” basis, having taken into account the valuation report issued by an approved valuer in Japan, Rakuyo Real Estate Appraiser on 7 June 2018 (the “Valuation Report”) at a valuation currency of Japanese Yen and valuation amount of JP¥270 million (equivalent to approximately SGD3,316,546¹).

2.4 Funding of the Acquisition

The Acquisition will be funded by internal resources.

¹ Conversion of amount from JYP into SGD in this Announcement is based on a rate of exchange of SGD1.00:JYP81.41 and is provided for reference purposes only.

2.5 Key terms of the Acquisition

2.5.1 The Property is sold and delivered on 24 July 2018.

2.5.2 The Property is acquired free from encumbrances and the title to the Property shall be properly deduced.

3. FURTHER INFORMATION

3.1 Financial effect

The Acquisition is not expected to have any material impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2018.

3.2 Interests of Directors and Controlling Shareholders

None of the Directors, and to the best of the Directors' knowledge, none of the Controlling Shareholders has any interest, direct or indirect, in the Acquisition, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

By Order of the Board

Dr Tang Cheuk Chee
Executive Director

24 July 2018