

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

INVESTMENT OF PROPERTY IN OSAKA, 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 29 September 2017 entered into a sale and purchase agreement with the sellers, 大橋 喜久藏 and 大橋 賀代子 for the acquisition of an immovable property in Japan located at Osaka-shi Chuo-ku Dotonbori 1-chome, comprising a 5-storey building with an underground basement that has a total floor area of 427.78 sqm and a land area of 93.56 sqm (the “**Property**”) (the “**Acquisition**”).

2. INFORMATION ON THE ACQUISITION

2.1 Information on the Property

The Property is strategically situated in the entertainment area of Dotonbori which is Osaka’s most famous tourist destination that offers ample lifestyle, food and beverage amenities. 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.

2.3 Information on the Consideration

The consideration of the Property at JP¥575,000,000 (equivalent to approximately SGD6,942,838¹) 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, 株式会社 近畿鑑定地所 (“**Kinki Kantei Jisho Co., Ltd.**”) on 1 August 2017 (the “**Valuation Report**”) at a valuation currency of Japanese Yen and valuation amount of JP¥617,015,000 (equivalent to approximately SGD7,450,148¹). The Company will fund the Acquisition by internal resources, payable upon completion of certain milestones.

¹ Conversion of amount from JYP into SGD in this Announcement is based on an exchange rate of SGD1.00:JYP0.0120745 and is provided for reference purposes only.

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 2017.

3.2 Relative Figures under Chapter 10 of the Listing Manual

As each of the relative figures (where applicable) for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual") is less than 5%, the Acquisition constitutes a non-disclosable transaction for purposes of Chapter 10 of the Listing Manual.

3.3 Interests of Directors and Controlling Shareholders

None of the Directors or 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

29 September 2017