

HANWELL HOLDINGS LIMITED

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

PROPOSED ACQUISITION OF PROPERTY IN THE DISTRICT OF JOHOR BAHRU, STATE OF JOHOR, MALAYSIA

The Board of Directors of Hanwell Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned indirect subsidiary, Fortune Food Manufacturing Sdn. Bhd. (Company No. 1330620-P) (“**FFMSB**”), had entered into an agreement including its supplemental agreement (collectively referred to as the “**Agreement**”) with Loong Soon Kemajuan Sdn Bhd (Company No. 63812-M) (the “**Vendor**”) relating to FFMSB’s proposed acquisition of a freehold property from the Vendor located at H.S.(M) 4188 PTD 193211 in the Mukim of Tebrau, District of Johor Bahru, State of Johor, Malaysia (the “**Property**” and this transaction shall hereinafter be referred to as the “**Proposed Acquisition**”).

Further details on the Proposed Acquisition are set out below:

1. **Description of the Property**

The Property comprises a freehold land with an area measuring approximately 1,752.1 square meters together with one (1) storey and one (1) mezzanine floor office semi-detached factory as a new production line to meet the Group’s expansion of its food processing business.

2. **Rationale for the Proposed Acquisition**

The Proposed Acquisition is for expanding the Group’s existing food processing business in Malaysia to support the continued growth of its existing business.

3. **Structure of the Proposed Acquisition**

- (a) **Purchase Consideration.** The total purchase consideration of the Property is Ringgit Malaysia 4.1 million, equivalent to Singapore Dollar 1,357,616 based on an exchange rate of S\$1: RM3.02 and was arrived at after arm’ length negotiations on a willing-buyer and willing seller basis taking into account, *inter alia*, prevailing market rates.
- (b) **Funding of the Proposed Acquisition.** The Proposed Acquisition will be entirely funded by internal resources.
- (c) **Closing Conditions.** The Proposed Acquisition is conditional upon the following:
 - (i) FFMSB obtaining the approval of the state authority in Malaysia (“**State Authority Approval**”) in respect of the Proposed Acquisition; or
 - (ii) in the event the State Authority Approval is given subject to terms and conditions other than the conditions currently imposed (hereinafter referred to as “**the Non-Current Standard Conditions**”) which FFMSB deems too onerous upon FFMSB, the Proposed Acquisition shall become unconditional upon FFMSB’s acceptance of the Non-Current Standard Conditions.
- (d) **Deposit.** A deposit of RM410,000-00 was paid to the Vendor. This deposit will be fully refunded if:
 - (i) the State Authority Approval is not obtained on or before 3 March 2020, unless this period is extended by FFMSB and the Vendor for such period(s) of time as the parties hereto shall mutually agree upon; or

- (ii) the application to the State Authority is rejected by the State Authority on or before 3 March 2020, unless this period is extended by FFMSB and the Vendor for such period(s) of time as the parties hereto shall mutually agree upon and FFMSB has appealed and notwithstanding an appeal, not obtained the State Authority Approval or had its appeal rejected; or
 - (iii) rejection by FFMSB of Non-Current Standard Conditions as stated in paragraph 3(c)(ii) hereinabove mentioned.
- (e) **Expected Completion Date.** The Proposed Acquisition is expected to be completed by June 2020.

4. **Financial Effects**

The Proposed Acquisition is not expected to have any material impact on the net earnings per share or the net tangible assets per share of the Group for the financial year ending 31 December 2019.

5. **Further Information**

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the Proposed Acquisition, save for their respective shareholdings in the Company.

By Order of the Board

Dr Tang Cheuk Chee
Executive Director

11 September 2019