
PROPOSED SALE OF INVESTMENT PROPERTY LOCATED AT 421 TAGORE INDUSTRIAL AVENUE #01-22, TAGORE 8, SINGAPORE 787805

1. INTRODUCTION

The Board of Directors of Choo Chiang Holdings Ltd. (the “**Company**”) and together with its subsidiaries (the “**Group**”) wishes to announce that its wholly-owned subsidiary, Choo Chiang Properties Pte Ltd (the “**Vendor**”) granted an Option to Purchase (“**OTP**”) to Pu Cheng Lin Engineering Pte. Ltd. (the “**Purchaser**”) for the proposed sale of a freehold commercial property located at 421 Tagore Industrial Avenue #01-22, Tagore 8, Singapore 787805 (the “**Property**”). The consideration for the Property is S\$2,830,000 (excluding goods and services tax) (“**Consideration**”) (“**Proposed Sale**”) and the Purchaser has exercised the OTP on 22 October 2024.

The Purchaser is a private company incorporated in Singapore and is not related to the Directors, controlling shareholders of the Company or their respective associates.

2. INFORMATION ON THE PROPERTY

The Property is a freehold commercial property with a strata floor area of approximately 4,133 square feet. The Property is currently leased out to a third party under an existing tenancy agreement, which is set to expire on 30 April 2025. The Property will be sold with the existing tenancy agreement to be transferred to the Purchaser upon completion of Proposed Sale (as further described in paragraph 3.3 below).

Based on the unaudited consolidated financial statements of the Group for the half year ended 30 June 2024 (“**HY2024**”), the book value of the Property was S\$1,612,000 and rental income attributable to the Property amounted to approximately S\$29,400 for HY2024.

3. SALIENT TERMS OF THE OTP

3.1 The Consideration for the Property of S\$2,830,000 (excluding goods and services tax) was arrived at on a willing buyer and willing seller basis after arms’ length negotiations between the Vendor and the Purchaser, taking into account amongst others:

- (i) the Company had commissioned an independent professional valuer to perform a desktop valuation on a similar freehold unit in the vicinity for financial reporting purposes for the financial year ended 31 December 2023 (“**FY2023**”) and had used the valuation as a guide price for the market value of the Property. The market value of the Property as at 31 December 2023 was estimated to be S\$2,057,000;
- (ii) recent transacted sales of properties in the vicinity of the Property;
- (iii) the net book value of the Property as at 30 June 2024 and the expected gain on disposal;
- (iv) prevailing property market conditions in Singapore; and
- (v) the current economic environment.

As such, no valuation was conducted on the Property for the purpose of the Proposed Sale.

As at the date of this announcement, the Purchaser has paid a deposit of S\$141,500 (excluding goods and services tax), being 5% of the Consideration. The balance of the Consideration shall be payable upon completion of the Proposed Sale, which is scheduled for 16 December 2024.

- 3.2 The Purchaser's due exercise of the OTP shall constitute as a valid binding agreement for the sale and purchase of the Property (the "**Agreement**") between the Purchaser and the Vendor. Accordingly, no further or other document or writing shall be made between the Purchaser and the Vendor.
- 3.3 The Purchaser shall be deemed to have purchased the Property with full knowledge and notice of and shall comply with all terms applicable to the existing tenancy.

4. RATIONALE FOR THE PROPOSED SALE

The Board believes that the Proposed Sale is in the best interests of the Group and the Shareholders, as it will enable the Group to realise the value of the Property. The Proposed Sale is part of the Group's strategy to reshuffle and rebalance its portfolio of investment properties to capitalise on opportunities for rental growth across different asset classes and sectors.

5. FINANCIAL EFFECTS OF THE PROPOSED SALE

Based on the Group's latest announced unaudited financial statements for the HY2024, the net book value of the Property is approximately S\$1,612,000. The Consideration represents an excess of approximately S\$1,218,000 over the net book value of the Property. Upon completion of the Proposed Sale, the Company will report a net gain on disposal of approximately S\$1,218,000. Accordingly, the Proposed Sale is expected to contribute positively to the earnings per share and net tangible asset of the Group for the current financial year ending 31 December 2024.

The Company intends to utilise the net proceeds for the general working capital requirements of the Group.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES IN RELATION TO THE PROPOSED SALE

As none of the relative figures computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") exceeds 5%, the Proposed Sale is a non-discloseable transaction under Chapter 10 of the Catalist Rules. Nevertheless, the Company wishes to voluntarily announce the Proposed Sale.

7. INTERESTS OF DIRECTORS AND/OR CONTROLLING SHAREHOLDERS

None of the Directors and to the best knowledge of the Directors, none of the controlling shareholders of the Company, has any interest, direct or indirect (other than through their shareholdings in the Company, to the extent applicable), in the Proposed Sale.

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Sale. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS FOR INSPECTION

A copy of the OTP, will be available for inspection during normal business hours at the Company's registered office at 10 Woodlands Loop, Singapore 738388 for a period of three (3) months from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquires, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Sale and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. FURTHER ANNOUNCEMENTS

The Company will make further announcements to update its shareholders when there are material updates in relation to the Proposed Sale, as may be necessary or appropriate.

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

23 October 2024

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Charmian Lim, at 1 Robinson Road #21-00 AIA Tower Singapore 048542, Telephone: +65 6232 3210.