

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

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**PROPOSED DISPOSAL OF SHAREHOLDING INTEREST IN INTRACO LIMITED**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Hanwell Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a sale and purchase agreement (the “**Agreement**”) dated 30 May 2012 with T.H Investments Pte Ltd (the “**Purchaser**”) to transfer its 29.89% shareholding interest in the issued share capital (the “**Sale Shares**”) of Intraco Limited (“**Intraco**”) to the Purchaser (the “**Disposal**”).

**2. INFORMATION ON THE PURCHASER AND INTRACO**

**2.1** The Purchaser is a company incorporated under the laws of the Republic of Singapore in 1992 with an issued share capital of S\$2,000,000. Its principal businesses are investment holding and trading in securities.

**2.2** As at the date of this Announcement, the sole shareholder of the Purchaser is Tat Hong Investments Pte Ltd.

**2.3** Intraco is a public company incorporated under the laws of the Republic of Singapore in 1968 and is listed on the main board of the SGX-ST. Intraco is an integrated solutions trading company with businesses in supplying lighting, seafood and plastic products and leasing, managing and operating telecommunications infrastructure.

**3. PRINCIPAL TERMS OF THE DISPOSAL**

**3.1 Consideration**

The Company shall transfer the Sale Shares to the Purchaser at the price of S\$0.62 per Sale Share for an aggregate consideration of approximately S\$18,281,412 (the “**Purchase Consideration**”). The price of S\$0.62 per Sale Share represents a premium of approximately 107% over the last traded price of the Sale Shares of S\$0.30 on 28 May 2012. The latest available open market value of the Sale Shares as at 28 May 2012 is approximately S\$8,845,844. After having considered the Purchase Consideration and the latest available open market value of the Sale Shares, the Directors are of the view that it is in the best interests of the Company to accept the Purchaser’s offer for the Sale Shares.

The Purchase Consideration was arrived at on a willing-buyer, willing seller basis, following arms’ length negotiations between the Company and the Purchaser.

**3.3 Conditions precedent**

Completion of the Disposal is conditional upon the approval of Hanwell’s shareholders being obtained for the Disposal (“**Shareholders’ Approval**”) provided that such

Shareholders' Approval shall not be required, if a waiver in writing from SGX-ST waiving the requirement for such Shareholders' Approval is obtained.

In the event that the Company is unable to obtain the waiver from SGX-ST or the Shareholders' Approval, the Agreement will be deemed automatically terminated and neither the Company nor the Purchaser shall have any claims whatsoever against the other save and except for any antecedent breach of the Agreement.

The Company shall use its best reasonable endeavours to submit the application for the waiver of the requirement for Shareholders' Approval to SGX-ST, by 4 June 2012 and obtain such waiver from SGX-ST within 1 month from 4 June 2012 (the "**Hanwell Waiver Application Period**").

If the Company is unable to obtain such waiver from SGX-ST within the Hanwell Waiver Application Period or upon the expiry of the Hanwell Waiver Application Period, whichever is the earlier, the Company shall proceed to obtain Shareholders' Approval at an extraordinary general meeting within 3 months after such date on which the Company is unable to obtain such waiver from SGX-ST or upon the expiry of the Hanwell Waiver Application Period, whichever is the earlier.

For purposes of the Agreement, "**Completion Date**" shall mean a date within 3 Business Days from the date on which SGX-ST grants the Company the waiver of the requirement for Shareholders' Approval OR a date within 3 Business Days from the date on which the Company obtained the Shareholders' Approval, whichever is earlier.

### **3.4 Completion**

Completion shall take place on the Completion Date in Singapore or such other date and place as may be agreed by the Parties in writing.

### **3.5 At completion, the Company shall deliver to the Purchaser:**

- (a) certified true copies of the resolutions and/or minutes passed or approved by the board of directors of Hanwell approving or authorising *inter alia*:
  - (i) the sale and transfer of the Sale Shares to the Purchaser;
  - (ii) the officers or directors of Hanwell to negotiate, approve, sign and execute any document and amendment thereto, and to do all such acts, matters or things as may be necessary, expedient, incidental in relation to the sale and transfer of the Sale Shares in the interests of Hanwell for and on behalf of Hanwell;

### **3.6 Against the delivery of the documents set out at paragraph 3.5 above by the Company, the Purchaser shall pay to the Company, the Purchase Consideration by way of bank draft or cashier's order, on the Completion Date.**

### **3.7 In the event that the Purchaser does not comply with its payment obligations on the Completion Date, the Company shall also be entitled (in addition to and without prejudice to all other rights or remedies available to it, including the right to claim damages):**

- (a) to fix a new date for completion;

- (b) to impose a late payment interest of 5% per annum on any outstanding Purchase Consideration calculated on a daily basis against the Purchaser for the period commencing from the Completion Date and ending on the date of full settlement of the Purchase Consideration by the Purchaser; or
- (c) to elect to terminate the Agreement and negotiate with any third party for the Disposal without any liability whatsoever to the Company.

#### 4. RATIONALE FOR THE DISPOSAL

- 4.1 The Directors are of the view that the Disposal is in the best interests of the Company and its shareholders as the Disposal will enable the Company to realise its investment in Intraco and to unlock the value thereof for its shareholders.
- 4.2 The price per Sale Share offered by the Purchaser represents a premium of approximately 107% over the last traded price of Intraco's shares of S\$0.30 on 28 May 2012. This, in the Directors' view, is attractive and represents a good opportunity for the Company to cash in on its investment in Intraco.

#### 5. INTENDED USE OF THE DISPOSAL PROCEEDS

- 5.1 It is the intention of the Directors to deploy the proceeds from the Disposal to expand the core businesses of the Company and to fund working capital.

#### 6. FINANCIAL EFFECTS OF THE DISPOSAL

- 6.1 The deficit of the proceeds pursuant to the Disposal over the carrying value of the Sale Shares is approximately S\$2,226,589. The total loss on the Disposal is S\$3,538,495 which includes realization of reserves.

- 6.2 (a) Net tangible assets ("NTA") per share

For illustrative purposes only, assuming that the Disposal had taken place on 31 December 2011, being the end of the most recently completed financial year, and based on the audited consolidated financial statements of the Group for the 12 months ended 31 December 2011, the Disposal would have the following impact on the NTA of the Group:

	Before the Disposal	After the Disposal
NTA (S\$'000)	280,723	277,105
NTA per Share (cents)	50.49	49.84

- (b) Earnings per share ("EPS")

For illustrative purposes only, assuming that the Disposal had taken place on 1 January 2011, being the beginning of the most recently completed financial year, and based on the audited consolidated financial statements of the Group for the 12 months ended 31 December 2011, the Disposal would have the following impact on the EPS of the Group:

	Before the Disposal	After the Disposal
Net profit attributable to shareholders (S\$'000)	2,316	(1,868)
Weighted average number of shares (Basic)	556,041,746	556,041,746
Weighted average number of shares (Diluted)	561,430,354	561,430,354
EPS (cents)		
Basic	0.42	(0.34)
Diluted	0.41	(0.33)

## 7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

7.1 Based on the latest announced consolidated accounts of the Group as at 31 March 2012, the relative figures computed on the basis set out in Rule 1006 of the Listing Manual of the SGX-ST (the "Listing Manual") in respect of the Disposal are as follows:

Rule 1006	The Disposal (S\$'000)	The Group (S\$'000)	%
(a) Net asset value of the assets to be disposed of, compared with the Group's net asset value	20,508	277,860	7.4%
(b) The net profits attributable to the assets disposed compared with the Group's net profits	(79)	1,700	-4.7%
(c) The aggregate value of the Consideration compared with the Company's market capitalisation as at [28] May 2012, being the market day immediately preceding the date of the Agreement	18,281	144,467	12.7%
(d) The number of equity shares issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	This basis of computation is not applicable as this is a Disposal and no equity shares will be issued		

- 7.2 As the computed figures under Rules 1006(a), 1006(b) and 1006(c) in the above table exceed 5% but are less than 20%, the Disposal is classified as a 'discloseable' transaction for the purposes of Chapter 10 of the Listing Manual.
- 7.3 However, as the relative figure computed based on Rule 1006(b) is negative, the Company will be writing to SGX-ST to request for a waiver of the requirement to seek shareholders' approval for the Disposal (the "**Waiver Application**") pursuant to Rule 1014(2) of the Listing Manual.
- 7.4 If the Waiver Application is unsuccessful, the Company will convene an extraordinary general meeting ("**EGM**") to seek approval from its shareholders for the Disposal. A circular setting out further information and details of the Disposal, together with a notice of the EGM to be convened, will then be despatched by the Company to its shareholders.
- 7.5 Further announcements on the Waiver Application and the Disposal will be made by the Company as and when appropriate.

## 8. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN THE DISPOSAL**

Save for their shareholding interests in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

## 9. **DOCUMENTS FOR INSPECTION**

Copies of the Agreement are available for inspection during normal business hours at the registered office of the Company at 348 Jalan Boon Lay, Singapore 619529 for a period of three (3) months from the date of this Announcement.

## 10. **CAUTIONARY STATEMENT**

Shareholders and potential investors should note that the completion of the Disposal is conditional upon the approval from the Company's shareholders in respect of the Disposal being obtained (if required), and are therefore advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bankers, solicitors or other professional advisers if they have any doubt about the actions they should take.

## 11. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate in all material aspects as at the date hereof and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information in this Announcement has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

**By Order of the Board**

Chong Eng Wee  
Joint Company Secretary  
30 May 2012