

**HERSING CORPORATION LTD**  
(Incorporated in Singapore)  
(Company Registration Number 199706986E)

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**WAIVER OF SHAREHOLDERS' APPROVAL IN RESPECT OF THE PROPOSED DISPOSAL OF 4  
PROPERTIES AND MANAGEMENT ASSETS PURSUANT TO THE JOINT VENTURE**

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**1. INTRODUCTION**

- 1.1 The board of directors of (the "**Board**") Hersing Corporation Ltd (the "**Company**") refers to the announcement made by the Company on 16 April 2010, in connection with the joint venture (the "**Joint Venture**") of the Company with Cap Store Pte. Ltd., a wholly-owned subsidiary of CapitaLand Limited, to own, expand and develop its business of providing short and long term self storage facilities (the "**Self Storage Business**") to corporate and individual customers under the "StorHub" brand (the "**Joint Venture Announcement**").

Unless otherwise defined, all capitalized terms used herein shall have the same meaning as ascribed to them in the Joint Venture Announcement.

- 1.2 In the Joint Venture Announcement, the Company announced, amongst others, that the disposals by the Company of the Property Assets and the Management Assets (the "**Disposals**") pursuant to the Joint Venture constitute major transaction under Chapter 10 of the Listing Manual and subject to approval of the shareholders of the Company in a general meeting. The Company further announced that the Company will be making an application to the SGX-ST seeking an exemption from the requirements of Rule 1014 of the Listing Manual whereby the Company is required to seek the approval of its shareholders for the Disposals.
- 1.3 Accordingly, on 23 April 2010, the Company made an application to the SGX-ST seeking waiver from the requirements of Rule 1014 of the Listing Manual (the "**Waiver Application**"). Please refer to paragraph 2 of this announcement for further details on the Waiver Application.
- 1.4 The Board is pleased to announce that on 7 May 2010, the SGX-ST has informed the Company that it has no objection to the Company's application for the waiver from compliance with Rule 1014(2) of the Listing Manual in respect of seeking shareholders' approval for the Disposals, subject to fulfillment of certain conditions (the "**Waiver**"). Please refer to paragraph 3 of this announcement for further details on the Waiver.

**2. THE WAIVER APPLICATION**

- 2.1 As stated above, the Company had, on 23 April 2010, made the Waiver Application on the following grounds:

(a) Disposal of Non-Core Business

The table below illustrates a comparison of the percentage of the revenue and net profit/(loss) before tax attributable to Self Storage Business under the "StorHub" brand as against the Group (comprising the Company and its subsidiaries), for the financial year ended 31 December 2009 ("**FY2009**") and financial year ended 31 December 2008 ("**FY2008**"):

	Self Storage Business		The Group		Percentage	
	S\$'000	FY2009	FY2008	FY2009	FY2008	%FY2009
Revenue	10,227	8,769	210,716	156,748	4.9	5.6
Net Profit/(Loss) Before Tax	2,842	(491)	16,714	4,793	17.0	not meaningful

Based on the audited financial statements for FY2009, the total revenue generated by the Self Storage Business represented less than 5% of the Group's total revenue. The net profit before tax of S\$2.8 million for FY2009 represented less than 20% of the Group's net profit.

As such the Self Storage Business does not constitute the core business of the Group and is definitely not a substantial source of its revenue and profit.

Moreover, the Disposals will not in fact result in a cessation of the Group's interest in the "StorHub" brand as the Group will continue to retain a substantial shareholding of 38% in each Storhub Holding Pte. Ltd. ("**SHPL**") and Storhub Management Pte. Ltd. pursuant to the Joint Venture and consequently, will retain control over 38% of the Property Assets and Management Assets.

As such, the Disposals do not constitute a disposal of the Group's core or substantial part of its business.

(b) Effect on Main Business

The core business of the Group has been real estate services, providing real estate brokerage, consultancy and other related services. The self storage business was first ventured into by the Group in 2002 and it is not entirely ancillary or related to real estate services. Hence, the Disposals are unlikely to affect the main business of the Group.

In any event, as mentioned above, the purpose of the Joint Venture is to enable the Company to tap into CapitaLand Limited's strong regional network and presence to expand the Self Storage Business using the brand "StorHub" within Asia. The Company expects that expansion of the Self Storage Business will ultimately lead to overall increase of shareholder value. In other words, the Joint Venture (and the Disposals which are an essential part of the Joint Venture) is in the best interests of the shareholders of the Company.

(c) Surplus on Disposals

The Disposals will result in the Group realizing a surplus of up to S\$14.5 million. The funds from the Disposals will also provide a source of readily available cash to enable the Group to inject into the Joint Venture as committed capital to expand the Self Storage Business within Asia.

(d) Irrevocable Undertaking

Mr. Harry Chua Wah Eng, a controlling shareholder of the Company, has undertaken that he will vote, or procure the voting of his entire 73.98% shareholding in the

Company in favour of the Disposals. As such, in the event that a general meeting is convened, the motion in favour of such a resolution will pass.

(e) Board's View

Based on the above factors and the rationale for the Disposals, the Board came to the opinion that the Disposals will not result in a material change to the nature of business and risk profile of the Group.

**3. THE WAIVER**

3.1 Based on the submission and representations of the Company, the SGX-ST granted the Waiver, subject to the following:

- (a) an opinion from the Board that there has been no material change in the risk profile of the Company arising from the Disposals, including the basis for their opinion;
- (b) disclosure of the Board's opinion and the basis for its opinion via SGXNET; and
- (c) disclosure of the waiver, the reasons for seeking the waiver and the conditions via SGXNET under Rule 107.

3.2 The Company has already submitted the opinion of the Board that there has been no material change in the risk profile of the Company arising from the Disposals, including the basis for their opinion to the SGX-ST. The disclosure of Board's opinion and the basis of its opinion can be found in paragraph 2 above.

**4. RULE 1006 COMPUTATION**

4.1 The Board refers to section 9 of the Joint Venture Announcement in relation to the relative figures computed on the bases set out in Rule 1006 of the Listing Manual. The Company wishes to clarify that the figures should be as stated below:

Rule 1006(a) – the net asset value of the assets to be disposed of, compared with the Group's net asset value.	55.8% <sup>1</sup>
Rule 1006(b) – The net profits attributable to the assets disposed of compared with Group's net profits.	17.0% <sup>2</sup>
Rule 1006(c) – The aggregate value of the consideration given, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	32.6% <sup>3</sup>
Rule 1006(d) – The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	<b>This basis of computation is not applicable as the contemplated transaction is a disposal and no equity securities will be issued.</b>

**Notes:**

1. The net asset value of the assets to be disposed of is S\$37,772,293. The net asset value, in accordance with the audited consolidated financial statements of the Group for FY2009 is S\$67,735,239. The relative figure for the net asset value of the assets to be disposed of, compared with the Group's net asset value is S\$37,772,293 / S\$67,735,239, which is equivalent to 55.8%.
2. The net profits attributable to the assets to be disposed of in accordance with the audited consolidated financial statements of the Group for FY2009 is S\$2,840,966. The Group's attributable net profit for FY2009 is S\$16,714,236. The relative figure for the net profits attributable to the assets to be disposed of compared to the Group's net profit is S\$2,840,966 / S\$16,714,236, which is equivalent to 17.0%.
3. The aggregate value of consideration given is S\$63,225,806. The Company's market capitalization as at 15 April 2010 is S\$193,789,197. The relative figure for the aggregate value of consideration received compared to the Company's market capitalization is S\$63,225,806 / S\$193,789,197, which is equivalent to 32.6%.

**5. RESPONSIBILITY STATEMENT**

The directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the directors of the Company 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

CHUA KHEE HAK  
Director  
10 May 2010