



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)
Reg. No. 199905292D

逢
來
發
集
團
有
限
公
司

-
- (I) THE PROPOSED DISPOSAL OF HLHI (CAMBODIA) COMPANY LIMITED ("HLHI") AT A DISPOSAL CONSIDERATION OF US\$1,500,000, BEING AGGREGATED WITH THE PROPOSED DISPOSAL OF HLH AGRICULTURE (CAMBODIA) CO., LTD. ("HLHA") AS A MAJOR TRANSACTION UNDER THE LISTING RULES OF THE SGX-ST.; AND
- (II) THE PROPOSED DISPOSAL OF HLH AGRICULTURE (CAMBODIA) CO., LTD. ("HLHA") AT A DISPOSAL CONSIDERATION OF US\$36,000,000, BEING A MAJOR TRANSACTION UNDER THE LISTING RULES OF THE SGX-ST.

(COLLECTIVELY THE "PROPOSED DISPOSALS")

1. The Board of Directors ("**Board**") of Hong Lai Huat Group Limited ("**Company**" and together with its subsidiaries, "**Group**") refers to the announcement dated 3 May 2024 in relation to the appointment of Knight Frank (Cambodia) Pte Ltd as the Second Valuer to provide the Additional Valuation ("**Second Valuation Announcement**").
2. Unless otherwise defined herein or the context otherwise requires, all capitalised terms in this announcement shall have the meanings defined in the Second Valuation Announcement and/or the Circular to Shareholders dated 3 May 2024 in relation to the Proposed Disposals ("**Circular**").

SECOND VALUATION REPORT AND SUMMARISED SECOND VALUATION REPORT

3. The Board wishes to inform Shareholders that the Second Valuer has completed the Additional Valuation and have issued a valuation report on 26 April 2024 ("**Second Valuation Report**"), a summary of which is set out in the attachment to this announcement ("**Summarised Second Valuation Report**").
4. Copies of the Second Valuation Report may be inspected at the registered office of the Company at 10 Bukit Batok Crescent #13-05, The Spire Building, Singapore 658079 during normal business hours from the date of this announcement up to the date of the EGM.

SUMMARY OF KEY FINDINGS UNDER ADDITIONAL VALUATION

5. Under the Second Valuation Report, the Second Valuer has stated that they are of opinion that the Market Value of the unexpired leasehold interest (HLHA) and the freehold interest (HLHI) in the properties, in its existing condition and with vacant possession and subject to its title being free from encumbrances and registrable, as at the valuation date of 26 April 2024 ("**Valuation Date**") is:
 - (a) in relation to the property, HLHA Land, and the holding company, HLHA, US\$37,920,000 (Thirty-Seven Million Nine Hundred and Twenty Thousand United States Dollars Only); and



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

逢
来
發
集
团
有
限
公
司

(b) in relation to the property, HLHI Land, and the holding company, HLHI, US\$3,795,000 (Three Million Seven Hundred and Ninety-Five Thousand United States Dollars Only),

(collectively the “**Second Valuer-determined Market Value**”).

The Second Valuer-determined Market Value has been arrived at assuming sales on a site by site basis.

6. The breakdown or apportionment of the Second Valuer-determined Market Value in relation to the HLHA Land is as follows:

Component	Area (sq m)	Analysed (US\$/sq m)	Estimated Value (US\$)
Land	89,999,500	US\$0.41`	US\$36,830,00
Building	15,134	US\$72.02	US\$1,090,000
Concluded Market Value “As Is” (MV)			US\$37,920,00

7. The Second Valuer-determined Market Value in relation to the HLHI Land equates to a capital value of US\$0.86 per square metre of the land area.
8. The valuation methodology used in arriving at the Second Valuer-determined Market Value is the Comparison Method and Depreciated Replacement Cost Method as further elaborated in Section 3 of the Summarised Second Valuation Report.
9. The key bases and assumptions made by the Second Valuer in arriving at the Second Valuer-determined Market Value and the property risks analysis are further set out in Section 3 and Section 4 of the Summarised Second Valuation Report.

COMPARISON TO INDEPENDENT VALUATION REPORT

10. The difference in value between the Second Valuer-determined Market Value as determined under the Second Valuation Report and the Market Value of the HLHA Sale Shares and the Market Value of the HLHI Sale Shares as determined under the Independent Valuation Report is illustrated below:

Independent Valuation Report	Target	Market Value of the 100% equity interest
	HLHI	USD3.0 million to USD3.4 million (rounded)
	HLHA	USD35.1 million to USD38.9 million (rounded)
Second Valuation Report		



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

逢
來
發
集
團
有
限
公
司

Property	Holding Company	Market Value (US\$)
Property 1	HLH (Agriculture) Cambodia Co., Ltd (HLHA)	US\$37,920,000 (Thirty-Seven Million Nine Hundred And Twenty Thousand United States Dollars Only)
Property 2	HLHI (Cambodia) Company Limited (HLHI)	US\$3,795,000 (Three Million Seven Hundred And Ninety-Five Thousand United States Dollars Only)

11. Shareholders should note that the above table merely provides a broad comparison of the Second Valuer-determined Market Value as determined under the Second Valuation Report and the Market Value of the HLHA Sale Shares and the Market Value of the HLHI Sale Shares as determined under the Independent Valuation Report, and is subject, *inter alia*, to the respective valuation scope and methodologies, bases and assumptions as further set out and elaborated under the Second Valuation Report and Independent Valuation Report (as the case may be) and Shareholders are advised to review the Second Valuation Report, the Independent Valuation Report and the rest of the Circular, including but not limited to the rationale for the Proposed Disposals as set out in Section 12 of the Circular, in their entirety prior to deciding on how vote on the Proposed Disposals at the EGM.

CAUTIONARY STATEMENT

12. Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares as there is no certainty or assurance as at the date of this announcement that either or both of the Proposed Disposals will be completed. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their stock brokers, bank managers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Dato' Dr. Ong Bee Huat, PBM
Executive Deputy Chairman & Group Chief Executive Officer
16 May 2024