

## ANNOUNCEMENT

### DISPOSAL OF A DORMANT SUBSIDIARY

#### **TIELING HLH AGRI PROCESSING CO., LTD**

The Board of Directors of HLH GROUP LIMITED (the “Company” and together with its subsidiaries referred to as the “Group”) wishes to announce that the Company, via its wholly-owned subsidiary HLH Agri R&D Pte Ltd (“HLH Agri R&D”) has entered into a sale and purchase agreement (the “SPA”) and completed the sale with Tieling Shi Xiao Lin Liang You Co., Ltd (the “Buyer”) in connection with the sale of the HLH Agri R&D’s 85% interests in Tieling HLH Agri Processing Co., Ltd (“Tieling”) for cash of RMB1,000,000.

#### **INFORMATION RELATING TO TIELING HLH AGRI PROCESSING CO., LTD**

Tieling is a company incorporated in Tieling Region, Liaoning Province of the People's Republic of China, and is a 85%-owned subsidiary of the Company.

#### **RATIONALE FOR THE DISPOSAL**

The Disposal is part of the Company’s strategic plans to streamline the Group’s structure and the Company does not intend to revive the operations of Tieling. This will also allow the Company to achieve savings on administrative expenses.

#### **PRINCIPAL TERMS OF THE DISPOSAL**

The Tieling Disposal Pursuant to the terms of the SPA are as follows:

- (a) the Company shall sell to the Buyer and the Buyer shall purchase 85% equity interests in Tieling;
- (b) the Buyer shall pay the Company RMB1,000,000 in cash for the Tieling shares;
- (c) the Buyer shall inherit all existing claims, rights and obligations in relation to Tieling upon completion; and
- (d) the Buyer shall change the name of Tieling within one year of the signing of the SPA.

The consideration for the Disposal were arrived at based on arm’s length negotiations on a willing-seller willing-buyer basis after taking into consideration the financial position of Tieling.

#### **FINANCIAL EFFECTS OF THE DISPOSAL**

As at the date of this announcement, the net tangible asset values of each of the Tieling Shares is less than one Singapore dollar. The Disposal is not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group.

#### **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the matters referred to above.

By order of the Board  
HLH GROUP LIMITED  
Helen Campos  
Company Secretary  
3 July 2017