

HLH GROUP LIMITED

(Now known as "HONG LAI HUAT GROUP LIMITED")
(Company Registration No. 199905292D)
(Incorporated in the Republic of Singapore)
(the "**Company**")

PROPOSED SHARE CONSOLIDATION OF EVERY THIRTY (30) ORDINARY SHARES INTO ONE (1) CONSOLIDATED SHARE – NOTICE OF BOOKS CLOSURE DATE

Unless otherwise defined, all capitalised terms used herein shall have the same meanings ascribed to them in the Company's announcements dated 7 April 2018 and 2 May 2018 ("**Announcements**") and the circular to Shareholders dated 7 April 2018 ("**Circular**").

1. INTRODUCTION

The Board of Directors ("**Board**") of the Company refers to the Announcements and the Circular in relation to the Proposed Transaction.

The Proposed Share Consolidation was approved by the Shareholders at the extraordinary general of the Company held on 30 April 2018.

2. NOTICE OF BOOKS CLOSURE DATE FOR THE PROPOSED SHARE CONSOLIDATION EXERCISE

2.1 **NOTICE IS HERBY GIVEN** that the Register of Members and share transfer books of the Company will be closed at 5.00 p.m. on 14 May 2018 ("**Book Closure Date**") for the purpose of determining the entitlements of Shareholders to the Consolidated Shares pursuant to the Proposed Share Consolidation, whereupon the Register of Members and the depository register will be updated to reflect the number of Consolidated Shares held by Shareholders (or depositors, as the case may be) based on their shareholdings as at the Books Closure Date.

2.2 Pursuant to the Proposed Share Consolidation, every thirty (30) Existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share.

2.3 The Proposed Share Consolidation shall be effective from 9.00 a.m. on the Market Day immediately following the Book Closure Date, being 15 May 2018 ("**Effective Trading Date**").

2.4 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their shareholdings as at the Books Closure Date, will be rounded down to their nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractional Shares which are disregarded.

2.5 Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

3. SHARE CERTIFICATES

3.1 Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for the Existing Shares in their own names ("**Old Share Certificates**") and who wish to deposit the same with CDP and have their

Consolidated Shares credited to their Securities Accounts must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date.

After the Books Closure Date, CDP will only accept the deposit of share certificates for Consolidated Shares ("**New Share Certificates**"). Shareholders who wish to deposit their share certificates with CDP after the Books Closure Date must first deliver their Old Share Certificates to the Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #08-00 ASO Building, Singapore 048544 for cancellation and issuance of the New Share Certificates in replacement thereof as described below.

3.2 Issue of New Share Certificates

Depositors and Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #08-00 ASO Building, Singapore 048544 as soon as possible after they have been notified of the Books Closure Date, and preferably not later than five (5) Market Days after the Books Closure Date, for cancellation and exchange for New Share Certificates. No acknowledgement of receipt will be issued by the Share Registrar for the receipt of any Old Share Certificates tendered. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is the later.

Shareholders shall only deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out above only after the announcement of the Books Closure Date by the Company.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been delivered to the Share Registrar for cancellation.

Shareholders should notify the Company's Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members.

3.3 Share Certificates not valid for settlement of trades on SGX-ST

Shareholders are reminded that their physical share certificates are not valid for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, the Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

4. TRADING ARRANGEMENT FOR THE CONSOLIDATED SHARES AND FOR ODD LOTS

4.1 Trading arrangements for the Consolidated Shares

The Shares will be trading in board lots of one hundred (100) Consolidated Shares with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares. Accordingly, every thirty (30) Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one Consolidated Shares with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

4.2 Trading arrangements for odd lots of Consolidated Shares

All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Board may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

The Shares are currently traded in board lots of one hundred (100) Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the unit share market which would allow trading in odd lots with a minimum size of one (1) Consolidated Share.

A temporary counter in the ready market for trading in odd lots of Consolidated Share will be set up for two (2) months to allow Shareholders to trade their odd lots of Consolidated Shares following the Proposed Share Consolidation. Shareholders who receive odd lots of Consolidated Shares and who wish to trade such lots of Consolidated Shares may do so in this temporary counter.

5. INDICATIVE TIMETABLE

The table below sets out the indicative timetable for the Proposed Share Consolidation:

Time and Date	Event
5.00 p.m. on 14 May 2018 (Monday)	Books Closure Date
9.00 a.m. on 15 May 2018 (Tuesday)	Effective Date (Proposed)

6. CONTACT INFORMATION

The address of the Share Registrar of the Company is as follows:

B.A.C.S. Private Limited
8 Robinson Road
#08-00 ASO Building
Singapore 048544

The address of CDP is as follows:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588

By Order of the Board

Dr Ong Bee Huat
Executive Director
4 May 2018