

CIRCULAR DATED 7 APRIL 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Circular or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of HLH Group Limited (the “**Company**”), you should forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



HLH GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199905292D)

CIRCULAR TO SHAREHOLDERS

in relation to the:

- 1. PROPOSED CONSOLIDATION OF EVERY THIRTY (30) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN) INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- 2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- 3. PROPOSED CHANGE OF NAME OF THE COMPANY FROM “HLH GROUP LIMITED” TO “HONG LAI HUAT GROUP LIMITED”.**

Last date and time for lodgement of Proxy Form : 28 April 2018 at 11 a.m.

Date and time of Extraordinary General Meeting : 30 April 2018 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2 p.m. on the same day and at the same place).

Place of Extraordinary General Meeting : Windows East Level 20
Four Seasons Hotel
190 Orchard Boulevard
Singapore 248646

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	Annual general meeting of the Company
“Approval Date”	:	Has the meaning given in Paragraph 3.3(a)
“Board”	:	The board of directors of the Company for the time being
“Books Closure Date”	:	The time and date, to be determined by the Directors in their absolute discretion as they deem fit and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
“Bonds”	:	The 5.0% equity linked convertible bonds, issued to the Subscriber pursuant to the terms and conditions of the Subscription Agreement, due 2020 with an aggregate principal amount of S\$4,000,000, convertible into fully paid-up new ordinary shares of the Company, approved by Shareholders at an extraordinary general meeting on 28 April 2017
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief executive officer
“Circular”	:	This circular to Shareholders dated 7 April 2018
“Committee”	:	The remuneration committee of the Company which is responsible for the administration of the HLH Performance Share Plan
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Company”	:	HLH Group Limited
“Constitution”	:	The Constitution of the Company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Treasury Shares) (unless the SGX-ST determines otherwise); or (b) in fact exercises control over the Company
“Consolidated Shares”	:	The consolidated shares in the issued share capital of the Company held by Shareholders pursuant to the completion of the Proposed Share Consolidation
“Conversion Share”	:	The Shares to be issued by the Company to the Subscribers upon the conversion of the Bonds pursuant to the terms of the Subscription Agreement

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“Conversion Period”	:	The period commencing on the date falling 12 months from the date on which the Bonds are issued and ending on the close of business on the day falling one week prior to the Maturity Date, during which the Bonds may at the option of the holder thereof be converted into fully paid-up new ordinary shares of the Company pursuant to the terms of the Subscription Agreement
“Conversion Price”	:	The price at which each Share will be issued upon conversion of the Bonds pursuant to terms of the Subscription Agreement
“Directors”	:	The directors of the Company for the time being
“Effective Trading Date”	:	Has the meaning given in Paragraph 2.4
“EGM”	:	Extraordinary general meeting of the Company
“EPS”	:	Earnings per share
“Executive Directors”	:	Dato’ Dr. Ong Bee Huat and Mr Ong Jia Ming
“Existing Shares”	:	Shares in issue prior to the Proposed Share Consolidation
“FRS”	:	Financial Reporting Standards issued by the Accounting Standards Council
“Group”	:	The Company and its subsidiaries
“HLH Performance Share Plan”	:	The HLH Performance Share Plan approved by Shareholders at an extraordinary general meeting held on 28 April 2017, as supplemented or modified from time to time
“Interested Person Transaction”	:	An interested person transaction as defined under Chapter 9 of the Listing Manual and namely the transactions as set out in Section 8 of this Circular
“Latest Practicable Date”	:	1 March 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST as may be amended, supplemented or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchases”	:	Has the meaning given in Paragraph 3.3(c)
“Maturity Date”	:	The date falling 36 months from the date of the issue of the Bonds
“Maximum Price”	:	Has the meaning given in Paragraph 3.3(d)
“MTP Requirement”	:	Has the meaning given in Paragraph 2.2(a)
“New Share Certificates”	:	Has the meaning given in Paragraph 2.5(a)
“Notice of EGM”	:	The notice of the EGM to be held on 30 April 2018 which is set out on pages N-1 to N-4 of this Circular

DEFINITIONS

“Non- Executive Directors”	:	Dr Wong Wen-Young Winston and Dr Wong Jr. Winston (as Alternate Director to Dr Wong Wen-Young Winston)
“Non- Executive Independent Directors”	:	Dr Wang Kai Yuen, Dr Chen Seow Phun John, Dr Lee Kuo Chuen
“NTA”	:	Net tangible assets
“Off-Market Purchases”	:	Has the meaning given in Paragraph 3.3(c)
“Old Share Certificates”	:	Has the meaning given in Paragraph 2.5(a)
“Performance Shares”	:	The new Shares awarded to participants under the HLH Performance Share Plan
“Proposed Change of Name”	:	The proposed change of name of the Company from “HLH Group Limited” to “Hong Lai Huat Group Limited”
“Proposed Share Consolidation”	:	The proposed consolidation of every thirty (30) Existing Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded
“Register of Members”	:	The register of members of the Company
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	The general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate
“Share Registrar”	:	The share registrar of the Company, being B.A.C.S. Private Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	:	Ordinary shares in the issued share capital of the Company
“Subscriber”	:	Dato’ Dr. Ong Bee Huat, the deputy chairman, executive director, CEO, and a Controlling Shareholder of the Company
“Subscription Agreement”	:	The subscription agreement dated 18 January 2017 entered into between the Company and the Subscriber for the subscription of the Bonds
“Take-over Code”	:	The Singapore Code on Take-Overs And Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended
“S\$”	:	Singapore Dollars
“%” or “per cent.”	:	Per centum or percentage

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall where applicable, have the same meaning assigned to it under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or any modification thereof as the case may be, unless the context otherwise requires.

References to persons shall include corporations.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

HLH GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199905292D)

Directors of the Company

Dr. Wang Kai Yuen (*Chairman and Non-Executive Independent Director*)
Dato' Dr. Ong Bee Huat (*Executive Deputy Chairman and Chief Executive Officer*)
Dr. Wong Wen-Young Winston (*Vice Chairman and Non-Executive Director*)
Dr. Chen Seow Phun John (*Non-Executive Independent Director*)
Dr. Lee Kuo Chuen (*Non-Executive Independent Director*)
Mr Ong Jia Ming (*Executive Director*)
Dr. Wong Jr. Winston (*Alternate Director to Dr. Wong Wen-Young Winston*)

Registered Office of the Company

10 Neo Tiew Lane 2
#01-05
Singapore 718813

7 April 2018

To: The Shareholders of HLH Group Limited

Dear Sir/Madam

1. INTRODUCTION

The Directors are convening the EGM to be held on 30 April 2018 to seek Shareholders' approval for the following proposals:

- (a) the Proposed Share Consolidation;
- (b) the proposed renewal of the Share Purchase Mandate; and
- (c) the Proposed Change of Name.

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with information relating to the proposals to be tabled at the EGM, and to seek Shareholders' approval for such proposals at the EGM.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED SHARE CONSOLIDATION

2.1 Overview of the Proposed Share Consolidation

Under the Proposed Share Consolidation, the Company will consolidate every thirty (30) Existing Shares held by Shareholders at the Books Closure Date into one (1) Consolidated Share, fractional shares to be disregarded.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, the Register of Members and the transfer books of the Company will be closed on the Books Closure Date to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9.00 a.m. on the Market Day immediately following the Books Closure Date, every thirty (30) Existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share.

LETTER TO SHAREHOLDERS

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares 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. Notwithstanding the above, Shareholders should note that the Proposed Share Consolidation is subject to such approvals and conditions as described in paragraph 2.4 below.

Shareholders whose shareholdings, as at the Books Closure Date, is less than thirty (30) existing Shares or multiples of thirty (30) Shares should note that the Proposed Share Consolidation may result in (a) such Shareholders being no longer Shareholders or (b) rounding down to the nearest whole Consolidated Share with any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded. As such, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/ return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to multiples of thirty (30) existing Shares prior to the Books Closure Date.

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.

As at the Last Practicable Date, the Company has an issued share capital of S\$94,601,970 divided into 6,658,068,582 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued capital of approximately S\$94,601,970 divided into 221,933,215 Consolidated Shares, after disregarding fractional interests in the Consolidated Shares arising from the Proposed Share Consolidation.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group.

Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

2.2 Rationale behind the Proposed Share Consolidation

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(a) ***Compliance with the Minimum Trading Price Requirement***

Rule 1311 of the Listing Manual states that an issuer will be placed on the SGX-ST watch-list if it records a volume-weighted average price of less than S\$0.20 and an average daily market capitalisation of less than S\$40 million over the last 6 months prior to the date of review by SGX-ST (collectively, the “MTP Requirement”). The Exchange conducts half-yearly reviews on the first market day of June and December each year to assess whether issuers meet the MTP Requirement, and issuers which are not able to record a six-month volume weighted average price of S\$0.20 and which have an average daily market capitalisation of less than S\$40 million for the 6 months prior to the date of review by SGX-ST, will be placed on the watch-list. Issuers which are unable to take steps to meet the MTP Requirement and exit the watch-list will be delisted after a 36-month cure period.

LETTER TO SHAREHOLDERS

The Directors believe that the Proposed Share Consolidation would facilitate the Company's ability to satisfy and comply with the MTP Requirement as follows:

- (i) As at the Latest Practicable Date, the Company's market capitalisation is S\$39.95 million, and the closing market price of the Shares which were traded on the SGX-ST is S\$0.006. Upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share will be S\$0.18.
 - (ii) The six-month volume weighted average price of each Share for trades done on the Mainboard of the SGX-ST from 1 September 2017 to the Latest Practicable Date is S\$0.007. Upon completion of the Proposed Share Consolidation, the theoretical six-month volume weighted average price of each Consolidated Share will be S\$0.203.
- (b) **Reduction of the Magnitude of Volatility of the Shares**

For the past six (6) months prior to the Latest Practicable Date, the absolute price of the Shares had traded in a range between S\$0.006 and S\$0.008 Singapore cents. The highest and lowest market prices for each such month and the transacted volume of the Shares traded on the SGX-ST for each such month, up to and including the Latest Practicable Date, are as follows:

Month	Price Range		Volume of Shares traded (million)
	High S\$	Low S\$	
September 2017	0.007	0.006	1.05
October 2017	0.007	0.006	2.293
November 2017	0.007	0.006	0.123
December 2017	0.007	0.006	0.05
January 2018	0.007	0.006	2.003
February 2018	0.008	0.006	2.1
March 2018	0.007	0.006	0.09

Source: SGX-ST⁽¹⁾

Note:

- (1) SGX-ST has not consented to the inclusion of the price range and volume of Shares quoted under this paragraph. The Company has included the above price range of Shares in their proper form and context in this Circular and has not verified the accuracy of such information.

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, the low traded share price may encourage speculation in the Shares, which may result in excessive share price volatility.

The Proposed Share Consolidation will rationalize the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Existing Share. This will reduce the fluctuation in magnitude of the Company's share price and market capitalization and reduce the percentage transaction cost for trading in each board lot of Shares.

LETTER TO SHAREHOLDERS

(c) ***Increase in the Market Interest and Attractiveness of the Company and its Shares***

The Directors are of the view that the Proposed Share Consolidation may also increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers. It is expected that, all other things being equal, the theoretical trading price and net tangible assets of each Consolidated Share would be higher than the trading price and net tangible assets of each Existing Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. This may increase market interest and activity in the Shares, and generally make the Shares more attractive to investors.

Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this Paragraph 2.2, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 Financial Effects of the Proposed Share Consolidation

(a) ***Assumptions***

For the purposes of this Paragraph 2.3, the following assumptions apply:

- (a) the *pro forma* financial effects of the Proposed Share Consolidation on the share capital, NTA per Share, EPS and gearing of the Company as presented below are purely for illustrative purposes only and are not projections of the actual future financial performance or financial position of the Company and the Group after the completion of the Proposed Share Consolidation. The *pro forma* financial effects have been computed based on the unaudited consolidated financial results of the Company for the full year ended 31 December 2017, as announced by the Company on 1 March 2018;
- (b) the number of Shares for the financial effects relating to the NTA per Share and the share capital of the Company are based on 6,658,068,582 Shares as at 31 December 2017 (before the completion of the Proposed Share Consolidation); and
- (c) the calculations below are based on 221,933,215 Consolidated Shares and disregard the potential impact of any fractions of a Consolidated Share that may result from the Proposed Share Consolidation.

(b) ***Share Capital***

	As at 31 December 2017	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Issued share capital (S\$)	94,601,970	94,601,970
Number of Shares	6,658,068,582	221,933,215

(c) ***NTA per Share***

	As at 31 December 2017	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
NTA (S\$'000)	131,518	131,518
Number of Shares	6,658,068,582	221,933,215
NTA per Share (cents)	1.975	59.260

LETTER TO SHAREHOLDERS

(d) **EPS**

	As at 31 December 2017	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Earning attributable to Shareholders (S\$'000)	7,510	7,510
Weighted average number of Shares for basic EPS	6,658,068,582	221,933,215
Weighted average number of Shares for diluted EPS	6,658,068,582	221,933,215
EPS – basic (S\$ cents)	0.113	3.384
EPS – diluted (S\$ cents)	0.113	3.384

(e) **Gearing**

The Proposed Share Consolidation will not have an impact on the gearing of the Company.

2.4 Conditions of the Proposed Share Consolidation

The implementation of the Proposed Share Consolidation is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

The SGX-ST had on 5 April 2018 granted its approval in principle for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST subject to (a) Shareholders' approval for the Proposed Share Consolidation being obtained at the EGM and (b) compliance with the listing requirements of the SGX-ST. Such approval is not to be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company and/or its subsidiaries.

An announcement will be made by the Company in due course to notify Shareholders of the Books Closure Date, the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of one hundred (100) Consolidated Shares (the "**Effective Trading Date**").

2.5 Updating of Register of Members and Depository Register

If Shareholders approve the Proposed Share Consolidation at the EGM, Shareholders' entitlements of the Consolidated Shares will be determined on the Books Closure Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date. The Shares will begin trading in board lots of one hundred (100) Consolidated Shares on the Effective Trading Date.

(a) **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 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.

LETTER TO SHAREHOLDERS

(b) ***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 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 are to deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out in this Paragraph 2.5 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.

(c) ***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.

2.6 Trading Arrangement for the Shares and for Odd Lots

(a) ***Trading Arrangements for the Shares***

Subject to the approval of the Shareholders for the Proposed Share Consolidation having been obtained at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of one hundred (100) Consolidated 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.

(b) ***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.

LETTER TO SHAREHOLDERS

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.

Shareholders who continue to hold odd lots of less than one hundred (100) Consolidated Shares may find difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Consolidated Shares.

2.7 Adjustments to Convertible Securities

On 28 April 2017, Shareholders approved the issuance of the Bonds to the Subscriber at an extraordinary general meeting. The Proposed Share Consolidation, if approved and completed, will require an adjustment to the Conversion Price of the Bonds pursuant to the terms and conditions of the Subscription Agreement.

As at the Latest Practicable Date, the Company has issued Bonds with a principal value of S\$4,000,000 to the Subscriber. The Bonds are, at the option of the Subscriber, convertible at any time during the Conversion Period into new ordinary shares of the Company at a Conversion Price of S\$0.01 per Conversion Share. Pursuant to the terms of the Subscription Agreement, the Conversion Price shall be adjusted such that the Subscriber shall be entitled, on conversion, to receive the same number of Conversion Shares it would have received if the Subscriber had converted the Bonds prior to the proposed Share Consolidation.

For illustration purposes, if the outstanding Bonds were to be fully converted at the Conversion Price of S\$0.01 prior to the Proposed Share Consolidation, the Subscriber would have received 400,000,000 Conversion Shares. Following the Proposed Share Consolidation, the Conversion Shares would be consolidated on a 30:1 ratio, resulting in 13,333,333 Conversion Shares. Accordingly, the adjusted Conversion Price shall be S\$0.30 following the Proposed Share Consolidation.

The adjustment to the Conversion Price will not result in any material impact on the share capital of the Company, NTA per Share and EPS.

If the Proposed Share Consolidation is approved by Shareholders and effected, the adjustment to the Conversion Price will be effective on the Effective Trading Date and the Company will announce the adjusted Conversion Price in due course following the Share Consolidation.

2.8 Adjustments to Performance Shares awarded under the HLH Performance Share Plan

On 28 April 2017, Shareholders approved the grant of award of 9,000,000 Performance Shares to Dato' Dr Ong Bee Huat under the HLH Performance Share Plan. As at the Latest Practicable Date, the entire aggregate of 9,000,000 Performance Shares under the award have yet to be allotted and issued.

In accordance with the terms of the HLH Performance Share Plan, the number of Performance Shares awarded may be adjusted due to a share consolidation in such manner as the Committee may determine to be appropriate.

The Committee has determined that following the Proposed Share Consolidation, all outstanding awards under the HLH Performance Share Plan shall be consolidated on a 30:1 ratio, as if the outstanding Performance Shares were consolidated under the Proposed Share Consolidation. Following the Proposed Share Consolidation, the award of 9,000,000 Performance Shares to Dato' Dr Ong Bee Huat will be adjusted to 300,000 Performance Shares.

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3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Introduction

The Board is proposing to seek Shareholders' approval at the forthcoming EGM for the renewal of the Share Purchase Mandate.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Company's Constitution, the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is a requirement under the Listing Manual and the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. Accordingly, approval is being sought from Shareholders at the EGM for the Share Purchase Mandate.

The Share Purchase Mandate was originally approved by Shareholders on 28 April 2017 and will expire on the date of the forthcoming AGM to be held on 30 April 2018. If approved by the Shareholders at the EGM, the authority conferred by the Share Purchase Mandate will take effect from the date of the EGM and continue to be in force until the date on which the next AGM is held or required by law to be held, unless prior thereto, purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate have been carried out to the full extent mandated, or the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

3.2 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) The Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising return to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- (b) The Share Purchase Mandate will give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued.
- (c) The purchase or acquisition of Shares may, depending on market conditions and funding arrangements, lead to an enhancement of the EPS and/or NTA per Share.
- (d) Share purchases may help mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.
- (e) The Share Purchase Mandate will enable the Directors to utilise the Shares which are purchased or acquired thereunder and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may have a less dilutive effect than if new Shares were issued for this purpose.
- (f) The Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The Company will only purchase or acquire Shares pursuant to the Share Purchase Mandate if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

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3.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, if approved at the EGM, are summarized below:

(a) **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date on which the resolution authorising the Share Purchase Mandate is passed (the “**Approval Date**”). Any Shares which are held as treasury shares or subsidiary holdings shall be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on 6,658,068,582 issued Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the Approval Date, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 665,806,858 Shares.

(b) **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (i) the date on which the next AGM is held or is required by law to be held, whichever is the earlier;
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent authorized under the Share Purchase Mandate; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting,

provided that no such purchase or acquisition shall be made during the period commencing two (2) weeks before the announcement of the Company’s financial statements for each of the first three (3) quarters of the Company’s financial year and one (1) month before the announcement of the Company’s full year financial statements.

The Share Purchase Mandate may be renewed at each subsequent AGM or other general meetings of the Company.

(c) **Manner of Purchases or Acquisitions of Shares**

Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchases, transacted through the SGX-ST’s trading system, through one or more duly licensed dealers appointed by the Company for that purpose (“**Market Purchases**”); and/or
- (ii) off-market purchases, otherwise than on a securities exchange, in accordance with an equal access scheme (“**Off-Market Purchases**”).

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The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation with any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be made, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (2) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:

- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed purchase or acquisition of Shares by the Company;
 - (iv) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (v) whether the proposed purchase or acquisition of Shares by the Company, if made, could affect the listing of the Company's equity securities on the SGX-ST;
 - (vi) details of any purchase or acquisition of Shares by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.
- (d) **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share purchased or acquired pursuant to the Share Purchase Mandate will be determined by the Directors. However, the purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

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in each case, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

For the purposes of determining the Maximum Price:

- (i) “**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and
- (ii) “**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

3.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees’ share scheme;

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- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must state the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.6 Source of Funds

The Company may not purchase or acquire Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Any purchase or acquisition of Shares may be made only if the Company is solvent and out of the Company's capital or profits. It is an offence for a Director or manager of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Companies Act, a company is solvent if:

- (a) the Company is able to pay its debts in full at the time of the payment for any Share purchased or acquired pursuant to the Share Purchase Mandate and will be able to pay its debt as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of the payment; and
- (b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition of Shares pursuant to the Share Purchase Mandate, become less than the value of its liabilities (including contingent liabilities).

The Company will use internal resources and/or external borrowings to finance the purchase or acquisition of Shares pursuant to the Share Purchase Mandate. The Directors will principally consider the availability of internal resources. The Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will particularly consider the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of Shares in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions.

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3.7 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the unaudited financial statements of the Group and the Company will depend, *inter alia*, on the factors set out below:

(a) ***Purchase or Acquisition out of Profits and/or Capital***

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and service tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(b) ***Number of Shares Acquired or Purchased***

Based on the 6,658,068,582 issued Shares as at the Latest Practicable Date, the purchase or acquisition of Shares by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 665,806,858 Shares.

(c) ***Maximum Price Paid for Shares Acquired or Purchased***

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 665,806,858 Shares at the Maximum Price of S\$0.00714 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 665,806,858 Shares is approximately S\$4,753,861 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 665,806,858 Shares at the Maximum Price of S\$0.00816 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 665,806,858 Shares is approximately S\$5,432,984 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

Illustrative Financial Effects

For illustrative purposes only, based on the assumptions set out above and assuming that (i) the purchase or acquisition of Shares are made to the extent aforesaid, (ii) such Shares are funded wholly by internal resources within the Group and (iii) the Company had purchased 665,806,858 Shares (representing 10% of the issued Shares as at the Latest Practicable Date), the financial effects of the purchase of 665,806,858 Shares by way of:

- (i) purchases made entirely out of capital and held as treasury shares;
- (ii) purchases made entirely out of capital and cancelled;

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on the audited financial statements of the Group and the Company for FY2017 pursuant to the Share Purchase Mandate are set out as follows:

Purchases made entirely out of capital and held as treasury shares

	Group			Company		
	Before purchase	After Market Purchase	After Off- Market Purchase	Before purchase	After Market Purchase	After Off- Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 31 December 2017</u>						
Profit Attributable to Owners of the Company	7,510	7,510	7,510	2,247	2,247	2,247
Equity Attributable to Owners of the Company	131,518	126,764	131,518	94,803	90,049	89,370
Net Tangible Assets (NTA)	131,518	126,764	126,085	94,803	90,049	89,370
Current Assets	32,657	24,903	27,224	31,121	30,482	30,482
Current Liabilities	16,547	16,547	16,547	12,353	12,353	12,353
Total Borrowings	5,157	10,531	11,210	45	4,160	4,839
Cash and Cash Equivalents	(620)	–	–	639	–	–
Number of Shares ('000)	6,658,068	6,658,068	6,658,068	6,658,068	6,658,068	6,658,068
<u>Financial Ratios</u>						
Basic Earnings per Share (cents)	0.11	0.11	0.11	0.03	0.03	0.03
NTA per Share (cents)	1.98	1.90	1.89	1.42	1.35	1.34
Gearing (%)	3.92	8.31	8.52	0.05	4.62	5.41
Current Ratio (times)	1.97	1.69	1.65	2.52	2.47	2.47

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Purchases made entirely out of capital and cancelled

	Group			Company		
	Before purchase	After Market Purchase	After Off- Market Purchase	Before purchase	After Market Purchase	After Off- Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 December 2017						
Profit (Loss) Attributable to Owners of the Company	7,510	7,510	7,510	2,247	2,247	2,247
Equity Attributable to Owners of the Company	131,518	126,764	126,085	94,803	90,049	89,370
Net Tangible Assets (NTA)	131,518	126,764	126,085	94,803	90,049	89,370
Current Assets	32,657	33,277	33,277	31,121	30,482	30,482
Current Liabilities	16,547	16,547	16,547	12,353	16,513	17,192
Total Borrowings	5,157	10,531	11,210	45	4,160	4,839
Cash and Cash Equivalents	(620)	–	–	639	–	–
Number of Shares ('000)	6,658,068	5,992,261	5,992,261	6,658,068	5,992,261	5,992,261
Financial Ratios						
Basic (Loss) Earnings per Share (cents)	0.13	0.13	0.13	0.04	0.04	0.04
NTA per Share (cents)	1.98	2.12	2.10	1.42	1.50	1.49
Gearing (%)	3.92	8.31	8.89	0.05	4.62	5.41
Current Ratio (times)	1.97	2.01	2.01	2.52	1.85	1.77

Notes:

Total borrowings refer to borrowings from financial institutions. Basic earnings per share equals profit after tax and minority interest divided by the weighted average number of shares. Gearing represents the percentage of total borrowings to shareholders' funds. Current ratio represents the ratio of current assets to current liabilities.

It should be noted that the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company. Although the Share Purchase Mandate would authorise the Company to purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. Further, the Directors would emphasise that they do not propose to purchase or acquire Shares pursuant to the Share Purchase Mandate to such an extent that would, or in any circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution.

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3.8 Listing Rules

Rule 886 of the Listing Manual specifies that a listed company shall notify all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such notification (which must be in the form of Appendix 8.3.1 of the Listing Manual) must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) and the number of treasury shares and subsidiary holdings held after the purchase.

The Listing Manual does not expressly prohibit a listed company from purchasing or acquiring its own shares during any particular time or times. However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive development has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.

In particular, in line with the best practices guide on dealings in securities issued by the SGX-ST, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate during the period of one (1) month immediately preceding the announcement of the Company’s full year financial results and two (2) weeks immediately preceding the announcement of the Company’s financial statements for the first three (3) quarters of the Company’s financial year.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, approximately 68.2% of the Shares are held by public shareholders. Assuming that (a) the Company purchases a maximum of 10% of the issued Shares from the public and (b) the Shares held by the substantial Shareholders of the Company and the Directors remain unchanged, the percentage of Shares in the hands of the public after such a buy-back will be approximately 64.7%. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

3.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) ***Obligations to Make a Take-over Offer***

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purpose of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

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(b) ***Persons Acting in Concert***

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following individuals will, inter alia, be presumed to be acting in concert:

- (i) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (ii) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

(c) ***Effect of Rule 14 and Appendix 2 of the Take-over Code***

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30% or more, or in the event that such Directors and the persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than 1% in any period of six (6) months.

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Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholders holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders would increase by more than 1% in any period of six (6) months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases by the Company.

Assuming that:

- (i) the Company purchases or acquires Shares pursuant to the Share Purchase Mandate up to the maximum of 10% issued Shares (excluding treasury shares and subsidiary holdings) as permitted by the Share Purchase Mandate;
- (ii) there is no change in the Controlling Shareholder's shareholdings in the Company between the Latest Practicable Date and the date of the EGM;
- (iii) no new Shares are issued following the Shareholders' approval of the proposed renewal of the Share Purchase Mandate at the EGM; and
- (iv) the Controlling Shareholder does not sell or otherwise dispose of his shareholdings in the Company,

the shareholdings of the Directors and the Substantial Shareholders as at the Latest Practicable Date and after the purchase by the Company (other than from the Substantial Shareholders) of the maximum of 10% of the issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Purchase Mandate, are as follows:

Party	Number of Shares			Voting Rights in the Company (%)	
	Direct Interest	Deemed Interest	Total Interest	Before Share Purchase	After Share Purchase
Ong Bee Huat	1,000,000,000	Nil	1,000,000,000	15.0%	16.7%
Wong Wen-Young	415,255,500	Nil	415,255,500	6.2%	6.9%
Seven Voyagers Capital Ltd	427,564,400	Nil	427,564,400	6.4%	7.1%
Ong Jia Ming	264,854,150	Nil	264,854,150	4.0%	4.4%
Wang Kai Yuen	7,303,000	Nil	7,303,000	0.1%	0.1%

In the event the Company purchases or acquires Shares pursuant to the Share Purchase Mandate within the Relevant Period of the maximum of 10% of the issued Shares as permitted by the Share Purchase Mandate, it is not expected that the shareholdings and/or voting rights of any of the Shareholders will be increased to 30% or more, thereby triggering a requirement for any Shareholder to make a general offer to the other Shareholders under Rule 14 of the Take-over Code.

Save as disclosed, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

LETTER TO SHAREHOLDERS

3.10 Previous Shares Purchased by the Company

The Company has not purchased or acquired any Shares in the last twelve (12) months immediately preceding the Latest Practicable Date.

3.11 Reporting Requirements

In accordance with Section 76B(9)(a) of the Companies Act, within thirty (30) days of the passing of the approval of the proposed renewal of the Share Purchase Mandate, the Directors shall lodge a copy of the relevant Shareholders' resolution with ACRA.

In accordance with Section 76B(9)(b) of the Companies Act, the Directors shall lodge with ACRA a notice of share purchase within thirty (30) days of a share buy-back. Such notification shall include the date of the purchases, the number of Shares purchased by the Company, the number of Shares cancelled, the number of treasury shares held, the Company's issued share capital before and after the purchases, the amount of consideration paid by the Company for the purchases, whether the shares were purchased out of the profits or the capital of the company and such other particulars as may be required in the prescribed form.

In accordance with Section 76K(1D) of the Companies Act, within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form.

4. THE PROPOSED CHANGE OF NAME

4.1 Rationale

The Company proposes to change its name from "HLH Group Limited" to "Hong Lai Huat Group Limited" to better represent the Group's corporate identity, business activities and business direction.

The Company was listed on the SGX-ST on 21 June 2000 under the name "Hong Lai Huat Group Limited" and the name is well known in the industry. The Directors believe that the Proposed Change of Name will better reflect the Company's corporate profile and marketing direction going forward, and will allow the public and the Company's business partners to identify and recognise the Company and the Group under the new name.

The Proposed Change of Name will not affect any of the Shareholders' rights or the Group's daily business operations and financial standings.

4.2 Approvals

The Proposed Change of Name will be proposed as a Special Resolution and is subject to Shareholders' approval at the EGM. The Special Resolution to seek Shareholders' approval for the Proposed Change of Name is set out in Resolution 3 in the Notice of EGM.

An application to ACRA for the reservation of the name of "Hong Lai Huat Group Limited" was approved on 3 February 2018. The proposed name has been reserved for 4 months from 3 February 2018 (i.e. until 3 June 2018).

Subject to Shareholders' approval and registration by ACRA, the Company shall change its name to "Hong Lai Huat Group Limited" with effect from the issue by ACRA of the Certificate Confirming the Incorporation of the Company under the new name. The Company will make an announcement when its change of name takes effect.

LETTER TO SHAREHOLDERS

4.3 Existing Share Certificates

Shareholders should note that notwithstanding the change of the Company's name, the Company will not recall existing share certificates bearing the current name of the Company which will continue to be prima facie evidence of legal title. No further action is required on the part of Shareholders.

4.4 Existing Employee Share Option Scheme

The name of the existing employee share option scheme shall be renamed from the "HLH Employee Share Option Scheme 2017" to the "Hong Lai Huat Employee Share Option Scheme 2017" upon the change of the Company's name.

4.5 Existing Performance Share Plan

The name of the existing performance share plan shall be renamed from the "HLH Performance Share Plan 2017" to the "Hong Lai Huat Performance Share Plan 2017" upon the change of the Company's name.

4.6 Existing Constitution

Upon the change of name of the Company to "Hong Lai Huat Group Limited", the name "Hong Lai Huat Group Limited" shall be substituted for "HLH Group Limited" whenever the latter name appears in the Constitution.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

With respect to the Proposed Share Consolidation, none of the Directors and, as far as the Directors are aware, none of the substantial Shareholders have any interest, direct or indirect, in the Proposed Share Consolidation.

The interests of the Directors and substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date, as recorded in the register of director's shareholdings and the register of substantial shareholders kept by the Company, are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Dato' Dr. Ong Bee Huat	1,000,000,000	15.0%	–	–
Dr. Wong Wen-Young, Winston	415,255,500	6.2%	–	–
Mr Ong Jia Ming	264,854,150	4.0%	–	–
Dr. Wang Kai Yuen	7,303,000	0.1%	–	–
Dr Chen Seow Phun John	–	–	–	–
Dr Lee Kuo Chuen	–	–	–	–
Dr Wong Jr. Winston (Alternate Director to Dr Wong Wen-Young Winston)	–	–	–	–

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Dato' Dr. Ong Bee Huat	1,000,000,000	15.0%	–	–
Dr. Wong Wen-Young, Winston	415,255,500	6.2%	–	–
Seven Voyagers Capital Ltd	427,564,400	6.4%	–	–

LETTER TO SHAREHOLDERS

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at Windows East Level 20, Four Seasons Hotel, 190 Orchard Boulevard Singapore 248646 on 30 April 2018 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 2 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular, a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at D' Kranji Farm Resort, 10 Neo Tiew Lane 2, Singapore 718813 not less than 48 hours before the time set for holding the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds he is able to do so.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by the CDP at least 72 hours before the EGM.

8. DIRECTORS' RECOMMENDATION

8.1 Proposed Share Consolidation

Having considered the rationale and terms of the Proposed Share Consolidation, the Directors are of the opinion that the Proposed Share Consolidation is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Share Consolidation as set out in the Notice of EGM.

8.2 Proposed renewal of the Share Purchase Mandate

Having considered the rationale and benefit of the proposed renewal of the Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of EGM.

8.3 Proposed Change of Name

Having considered the rationale and benefit of the Proposed Change of Name, the Directors are of the opinion that the Proposed Change of Name is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the special resolution relating to the Proposed Change of Name as set out in the Notice of EGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed matters as set out herein, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at D' Kranji Farm Resort, 10 Neo Tiew Lane 2, Singapore 718813 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the forthcoming EGM:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for the year ended 31 December 2017

Yours faithfully,
For and on behalf of the Board of Directors of
HLH Group Limited

Dato' Dr. Ong Bee Huat
Executive Deputy Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

HLH GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199905292D)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders (the “Shareholders”) of HLH GROUP LIMITED (the “Company”) will be held at Windows East Level 20, Four Seasons Hotel, 190 Orchard Boulevard Singapore 248646 on 30 April 2018 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

Please note that unless otherwise defined, all capitalized terms used in this Notice bear the same meanings as ascribed to them in the Company’s circular to Shareholders dated 7 April 2018 (the “Circular”) (copies of which have been made available to Shareholders at the following website: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/company_announcements).

AS ORDINARY RESOLUTIONS

1. PROPOSED SHARE CONSOLIDATION

THAT:

- (a) the proposed consolidation of every thirty (30) Shares as at the Books Closure Date, into one (1) Consolidated Share with effect from a date to be fixed by the Directors of the Company in the manner set out in the Circular be and is hereby approved;
- (b) any fractions of Consolidated Shares arising from the proposed Share Consolidation shall be disregarded. All fractional entitlements arising from the implementation of the proposed Share Consolidation shall 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;
- (c) the Directors and each of them be hereby authorized to fix the Books Closure Date and the Effective Trading Date in their absolute discretion as they deem fit; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required, approving any amendments, alterations or modifications to any documents, and to sign, file, and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may in their/his absolute discretion consider expedient or necessary to give effect to the Proposed Share Consolidation and/or this Resolution.

2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

THAT:

- (a) for the purposes of the Listing Manual, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire from time to time the Shares (excluding treasury shares) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) on-market purchases transacted on the SGX-ST through the ready market, and through one or more duly licensed stockbrokers appointed by the Company for the purpose (each, a “Market Purchase”); and/or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme shall satisfy all the conditions prescribed by the Listing Manual (each, an **“Off-Market Purchase”**),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act (Chapter 50 of Singapore) (as modified, supplemented or amended from time to time) and the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **“Share Purchase Mandate”**);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier;
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in general meeting;

- (c) in this Ordinary Resolution:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days (“Market Day” being a day on which SGX-ST is open for securities trading) on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporation action that occurs after the relevant five-day period;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares; and

“Prescribed Limit” means that number of issued Shares representing ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may in their/his absolute discretion consider expedient or necessary to give effect to the proposed renewal of the Share Purchase Mandate and/or authorised by this Resolution.

AS SPECIAL RESOLUTION

3. PROPOSED CHANGE OF NAME OF THE COMPANY FROM “HLH GROUP LIMITED” TO “HONG LAI HUAT GROUP LIMITED”

THAT:

- (a) the name of the Company be changed from “HLH Group Limited” to “Hong Lai Huat Group Limited” and that the name “Hong Lai Huat Group Limited” be substituted for “HLH Group Limited” whenever the latter name appears in the Constitution of the Company; and
- (b) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient to give effect to this resolution as they or he may deem fit.

BY ORDER OF THE BOARD

Helen Campos
Company Secretary
Singapore

7 April 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT: PLEASE READ NOTES

Notes:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting (“EGM”) is entitled to appoint any number of proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second/other named proxy/proxies shall be deemed to be an alternate to the first named.
3. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with Section 179 of the Companies Act.
4. The instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), duly executed, must be deposited at the Registered Office of the Company at D’Kranji Farm Resort, 10 Neo Tiew Lane 2, Singapore 718813 not less than forty-eight (48) hours before the time set for the Meeting or any postponement or adjournment thereof.
5. The instrument appointing a proxy or proxies must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
6. A Depositor’s name must appear on the Depository Register maintained by the CDP at least seventy-two (72) hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

General:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register maintained by the CDP at least seventy-two (72) hours before the time appointed for holding the EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) or representative to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:

- (a) consents to the collection, use and disclosure of the Shareholder’s personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies or representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”);
- (b) warrants that where the Shareholder discloses the personal data of the Shareholder’s proxy(ies) or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) or representative(s) for the Purposes; and
- (c) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder’s breach of warranty.

HLH GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company registration no: 199905292D)

**EXTRAORDINARY GENERAL MEETING
PROXY FORM**

(Please see notes overleaf before printing this Form)

IMPORTANT

1. For investors who have used their Central Provident Fund ("CPF") monies to buy HLH GROUP LIMITED shares, this Proxy Form is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ NRIC/Passport No. _____

of _____

being a member/members of **HLH Group Limited** (the "Company"), hereby appoints:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, and if necessary to demand a poll, at the Extraordinary General Meeting (the "Meeting") of the Company to be held at Windows East Level 20, Four Seasons Hotel, 190 Orchard Boulevard Singapore 248646 on 30 April 2018 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company at 2 p.m. to be held on the same day and at the same place).

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided. In the absence of specific directions, your proxy / proxies will vote or abstain from voting as he / she / they may think fit at his / her / their discretion, as he / she / they will on any other matters arising at the Extraordinary General Meeting and any adjournment thereof.)

Ordinary Resolutions	For	Against
1. To approve the Proposed Share Consolidation		
2. To approve the Proposed Renewal of the Share Purchase Mandate		
Special Resolutions	For	Against
3. To approve the Proposed Change of Name of the Company from "HLH Group Limited" to "Hong Lai Huat Group Limited"		

Dated this _____ day of _____ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or
Common Seal of Corporation

* Delete accordingly



IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of ordinary shares held in the issued share capital of the Company (the “**Shares**”) held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against you name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all Shares held by you.
2. A member of the Company entitled to attend and vote at the Extraordinary General Meeting (the “**EGM**”) is entitled to appoint any number of proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second/other named proxy/proxies shall be deemed to be an alternate to the first named.
4. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with Section 179 of the Companies Act.
5. The instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), duly executed, must be deposited at the Registered Office of the Company at D’Kranji Farm Resort, 10 Neo Tiew Lane 2, Singapore 718813 not less than forty-eight (48) hours before the time set for the Meeting or any postponement or adjournment thereof.
6. The instrument appointing a proxy or proxies must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (falling previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The submission of an instrument or form appointing a proxy by a Shareholder does not preclude him/her from attending and voting in person at the EGM if he/she so wishes.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register maintained by the CDP at least seventy-two (72) hours before the time appointed for holding the EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) or representative to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company:

- (a) consents to the collection, use and disclosure of the Shareholder’s personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies or representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”);
- (b) warrants that where the Shareholder discloses the personal data of the Shareholder’s proxy(ies) or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) or representative(s) for the Purposes; and
- (c) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder’s breach of warranty.

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