

ANNOUNCEMENT

ENTRY INTO MEMORANDUM OF UNDERSTANDING WITH THANH VU JOINT-STOCK COMPANY

The board of directors (the “Board”) of HLH Group Limited (the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce that HLH Agriculture (Cambodia)., Ltd (“HLHA”), a wholly-owned subsidiary of the Company, has on 15 July 2017, entered into a non-binding memorandum of understanding with Thanh Vu Tay Ninh Joint Stock Company (“TVTN”) to collaborate on certain initiatives in relation to the Group operations (the “MOU”).

TVTN is one of the largest manufacturer and major distributor of all kinds of Tapioca product such as native tapioca starch, modified tapioca starch, tapioca chips.

TVTN also distributes maize, maize and potato starch, peanuts, beans and rubber products based in Vietnam.

Under the terms of the MOU, HLHA and TVTN intend to cooperate on, inter alia, the following areas:

(i) TVTN will be responsible for managing HLHA cassava starch factory production, operations, sales and branding of the tapioca starch and to add a line to produce modified starch.

(ii) TVTN will also have the option to either create a joint-brand with HLHA or produce solely under TVTN brand.

(iii) HLHA will be responsible for the cultivation of fresh cassava in the 10,000 hectares farm and also responsible to find the contract farming to supply and sell TVTN fresh cassava according to Vietnam and Thailand border market price for tapioca starch production. TVTN may also have the option to joint cooperate in the cultivation of fresh cassava to achieve the yield of minimum 30 tons per hectare and guarantee a fixed return to HLHA.

(iv) TVTN will guarantee a fixed return of US\$600,000 (United States Dollars Six Hundred Thousand) of managing HLHA cassava starch factory on a yearly basis upon signing the agreement for a period of 5 calendar years.

Shareholders should note that the MOU is non-binding in nature and may or may not lead to the entry into of definitive agreement(s) with TVTN by the Group in relation to the initiatives contemplated under the MOU.

The signing of the MOU is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2017.

None of the directors or the controlling shareholders of the Company has any direct or indirect interest in this MOU, save through their shareholding interests in the Company.

The Company will make further announcements as and when there are material developments with regard to the initiatives contemplated under the MOU.

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