

HLH GROUP LIMITED
(the “Company”)
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199905292D)

PROPOSED ACQUISITION OF 13,541 SQUARE METRES OF FREEHOLD LAND IN PHNOM PENH, CAMBODIA FOR PROPERTY DEVELOPMENT

The Board of Directors (the “Board”) of the Company (together with its subsidiaries, the “Group”) wishes to announce that one of the Company’s 49%-owned associate company, D’Lotus Development Limited (“D’Lotus Development”), had on 19 June 2014 entered into a Property Sale and Purchase Agreement (the “SPA”) with SHUKAKU Inc to acquire 13,541sqm of freehold land in Cambodia (the “Land”).

The Land is situated in Boueng Kak, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh, Cambodia, in the heart of Phnom Penh City Centre. D’Lotus Development plans to develop office tower, luxury condominiums, and F&B and retail buildings on the Land.

The purchase consideration for the Land is fixed at USD14,895,000 and is arrived at based on a willing seller willing buyer basis, taking into account current market prices of properties in the surrounding area and the Group’s assessment of the Land’s development potential.

Payment terms in accordance with the SPA are set out as follows:

- | | |
|----------------------------------|--|
| 1 st payment: | Upon the date of signing of this agreement, an amount equal to 10% of the purchase consideration. |
| 2 nd payment (Final): | Within six months from the date of signing this agreement, an amount equal to 90% of the purchase consideration. |

The Acquisition is a transaction carried out in the ordinary course of the Group’s business. The Purchase Price of USD14,895,000 (approximately S\$18.6 million) is equivalent to 27.6% of the Company’s market capitalisation as at 19 June 2014 of S\$67.3 million, based on a share capital of 3,957,211,329 shares and closing share price of S\$0.017 per share.

The aforesaid acquisition will be funded by internal resources and bank loans, and is not expected to have any material impact on the Group’s earnings per share and net tangible assets per share for the current financial year ending 31 December 2014.

None of the Directors or controlling shareholders has any interest, direct or indirect, in the above transaction, other than their shareholding in the Company.

By Order of the Board

Helen Campos
Company Secretary
20 June 2014