

HLH GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 199905292D)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,978,605,664 NEW ORDINARY SHARES IN THE CAPITAL OF HLH GROUP LIMITED (THE *RIGHTS ISSUE*)

–CHANGE IN USE OF PROCEEDS, RECEIPT OF APPROVAL IN-PRINCIPLE AND BOOKS CLOSURE DATE

1. CHANGE IN USE OF PROCEEDS

The board of directors (the *Board*) of HLH Group Limited (the *Company*) refers to the Company's announcements dated 23 December 2015 and 18 January 2016 relating to the Rights Issue (the *Previous Announcements*). Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Previous Announcements.

The Company disclosed in the Previous Announcements that:

- (a) based on the Existing Share Capital and assuming a Maximum Subscription Scenario, the gross proceeds raised from the Rights Issue will amount to approximately S\$11.9 million. In a Maximum Subscription Scenario, the Company intends to utilize the gross proceeds raised as follows:
 - (i) approximately S\$6.0 million (or 50.4% of the gross proceeds) towards the repayment of the Land Financing;
 - (ii) approximately S\$5.6 million (or 47.1% of the gross proceeds) for the general working capital of the Group, particularly for the expansion of its property development business in Cambodia; and
 - (iii) approximately S\$0.3 million (or 2.5% of the gross proceeds) for the professional fees and related expenses incurred in connection with the Rights Issue; and
- (b) based on the Existing Share Capital and assuming a Minimum Subscription Scenario, the gross proceeds raised will amount to approximately S\$5.5 million. The Company intends to utilise the gross proceeds raised towards the repayment of the Land Financing and will utilise its internal resources to pay for the professional fees and related expenses incurred in connection with the Rights Issue.

The Board wishes to announce that there will be a change in the use of proceeds from the Rights Issue in the Maximum Subscription Scenario.

Based on the Existing Share Capital and assuming a Maximum Subscription Scenario, the gross proceeds raised from the Rights Issue will amount to approximately S\$11.9 million. In a Maximum Subscription Scenario, the Company intends to utilize the gross proceeds raised as follows:

- (i) approximately S\$5.5 million (or 46.2% of the gross proceeds) towards the repayment of the Land Financing;

- (ii) approximately S\$6.1 million (or 51.3% of the gross proceeds) for the general working capital of the Group, particularly for the expansion of its property development business in Cambodia; and
- (iii) approximately S\$0.3 million (or 2.5% of the gross proceeds) for the professional fees and related expenses incurred in connection with the Rights Issue.

2. RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE SGX-ST)

Further to the Previous Announcements, the Board is pleased to announce that the Company has, on 14 March 2016, received approval in-principle (*Approval In-Principle*) from the Singapore Exchange Securities Trading Limited (the *SGX-ST*) for the listing and quotation of up to 1,978,605,664 Rights Shares on the Main Board of the SGX-ST.

The Approval In-Principle is subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements; and
- (b) submission of:
 - (i) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual of the SGX-ST (the *Listing Manual*) in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report; and
 - (ii) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares.

Please note that the SGX-ST's Approval In-Principle is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

3. NOTICE OF BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that the register of members and the share transfer books of the Company will be closed at **5.00 p.m.** (Singapore time) on **22 March 2016** (the *Books Closure Date*) for the purpose of determining the provisional allotments of Rights Shares of Entitled Shareholders (being Entitled Depositors and Entitled Scripholders) under the Rights Issue.

(A) Entitled Depositors

Shareholders whose securities accounts with The Central Depository (Pte) Ltd (*CDP*) are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date and (i) whose registered addresses with CDP are in Singapore as at the Book Closure Date; or (ii) who have, at least three (3) Market Days (being a day on which the SGX-ST is open for trading in securities) prior to the Books Closure Date, provided CDP, at 9 North Buona Vista Drive

#01-19/20, The Metropolis, Singapore 138588, with registered addresses in Singapore for the service of notices and documents (*Entitled Depositors*) will be provisionally allotted Rights

Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

All notices and documents relating to the Rights Issue will be sent to the Entitled Depositors at their last registered mailing addresses with CDP or such registered address as previously notified to CDP not later than three (3) Market Days prior to the Books Closure Date.

(B) Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and who had tendered to B.A.C.S. Private Limited (*Share Registrar*) valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and, in each case (i) whose registered addresses with the Company are in Singapore as at the Books Closure Date; or (ii) who had, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, with registered addresses in Singapore for the service of notices and documents (*Entitled Scripholders*) will be provisionally allotted Right Shares on the basis of the number of Shares held by them as stated in the register of members of the Company as at 5.00 p.m. (Singapore time) on the Books Closure Date.

All notices and documents will be sent to the Entitled Scripholders at their last registered mailing addresses with the Company or such registered address as previously notified to the Company not later than three (3) Market Days prior to the Books Closure Date.

(C) Foreign Shareholders

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than in Singapore, the Rights Shares will **NOT** be offered and the Offer Information Statement and its accompanying documents will **NOT** be despatched to Foreign Shareholders, being Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or CDP (as the case may be) registered addresses in Singapore for the service of notices and documents.

Accordingly, Foreign Shareholders will not be allowed to participate in the Rights Issue. No provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application for excess Rights Shares by Foreign Shareholders will be valid.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the Main Board of the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sale may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred thereto.

The net proceeds from all such sales, after deducting all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the shareholders register as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be retained or dealt with as the Directors may, in their absolute discretion, deem fit for the interests of the Company and no Foreign

Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the Main Board of the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in respect of such sales or the proceeds thereof or the provisional allotments of Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be or are not sold on the Main Board of the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Foreign Shareholders who wish to be eligible to participate in the Rights Issue may provide registered addresses in Singapore for the service of notices and documents, by notifying in writing, (a) in the case of Depositors, to CDP at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588 or (b) in the case of Scripholders, to the Share Registrar at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, no later than 5.00 p.m. (Singapore time) on the date being (3) market days prior to the Books Closure Date.

By Order of the Board

Dato' Dr Ong Bee Huat
Executive Director
14 March 2016