



# HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)  
Reg. No. 199905292D

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- (I) THE PROPOSED DISPOSAL OF HLHI (CAMBODIA) COMPANY LIMITED ("HLHI") AT A DISPOSAL CONSIDERATION OF US\$1,500,000, BEING AGGREGATED WITH THE PROPOSED DISPOSAL OF HLH AGRICULTURE (CAMBODIA) CO., LTD. ("HLHA") AS A MAJOR TRANSACTION UNDER THE LISTING RULES OF THE SGX-ST.; AND
- (II) THE PROPOSED DISPOSAL OF HLH AGRICULTURE (CAMBODIA) CO., LTD. ("HLHA") AT A DISPOSAL CONSIDERATION OF US\$36,000,000, BEING A MAJOR TRANSACTION UNDER THE LISTING RULES OF THE SGX-ST.

(COLLECTIVELY THE "PROPOSED DISPOSALS")

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1. The Board of Directors ("**Board**") of Hong Lai Huat Group Limited ("**Company**") and together with its subsidiaries, ("**Group**") refers to the announcements dated 5 February 2024, 8 February 2024, and 14 February 2024 ("**Announcements**") in relation to the Proposed Disposals. Unless otherwise defined herein or the context otherwise requires, all capitalised terms in this announcement shall have the meanings defined in the Announcements.

## ISSUE OF CIRCULAR AND CONVENING OF EGM

2. The Company has on 3 May 2024 issued a notice ("**Notice of EGM**") for an extraordinary general meeting ("**EGM**") to be convened on 20 May 2024 at 10.30 a.m. at 1 Plymouth Avenue, Singapore 297753, Raffles Town Club, Dunearn Ballroom 1 for the purposes of seeking Shareholders' approval of the Proposed Disposals, and issued a circular ("**Circular**") to shareholders of the Company ("**Shareholders**") setting out further details of the Proposed Disposals after obtaining confirmation that the Exchange has no comment on the Circular pursuant to a letter from the Exchange dated 19 April 2024 ("**Reply Letter**").
3. As disclosed in the Circular, the Company has appointed Navi as the Independent Valuer to carry out a valuation of the HLHA Sale Shares and the HLHI Sale Shares pursuant to Rule 1014(5) of the Listing Manual and the Circular contains, *inter alia*, a summarised report dated 29 April 2024 ("**Summarised Independent Valuation Report**") of an independent valuation report dated 29 April 2024 ("**Independent Valuation Report**") issued by Navi Corporate Advisory Pte Ltd ("**Navi**") in relation to the valuation of the HLHA Sale Shares and the HLHI Sale Shares.

## APPOINTMENT OF SECOND VALUER

4. The Company's appointment of Navi as the Independent Valuer was based, *inter alia*, on Navi's track record, expertise and experience in carrying out similar valuation exercises for other listed issuers and in valuing capital-intensive assets similar to HLHA and HLHI.
5. The Board wishes to inform Shareholders that as required by the Exchange under the Reply Letter, the Group has, in addition to the appointment of Navi as the Independent Valuer, appointed Knight Frank (Cambodia) Pte Ltd on 24 April 2024 as a second valuer ("**Second Valuer**") to provide an additional valuation in connection with the Proposed Disposals, *inter alia*, as Navi has no direct experience in valuing plantation assets in Cambodia.
6. As required by the Exchange under the Reply Letter, the Second Valuer will be carrying out a valuation of the HLHA Land and the HLHI Land for the purposes of determining their valuation as plantation assets ("**Additional Valuation**"), and for public disclosure in connection with the seeking of Shareholders' approval for the Proposed Disposals.



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The Additional Valuation by the Second Valuer will be undertaken in accordance with current edition of the RICS Valuation – Global Standards, which incorporate the International Valuation Standards (the “**Red Book Global**”), and the Second Valuer has confirmed that they meet the requirements of the Red Book/IVS in having sufficient current knowledge of the particular market and the skills and understanding to undertake the Additional Valuation competently.

7. Salient information on the Second Valuer are set out in the table below:

Membership in recognised professional body	Royal Institution of Chartered Surveyor (“ <b>RICS</b> ”)
Professional undertaking the valuation	Mr Law Kheng Fong, MRICS, RICS Registered Valuer
Background	The Second Valuer is a valuer of international standing as it is part of the Knight Frank group, which is amongst the world’s largest global property agency and consultancy firms, and which has been in operations since the 1960s.
Track record in valuing plantation assets in Cambodia	<p>Knight Frank (Cambodia) Pte Ltd has conducted valuations of various agricultural properties across Cambodia, encompassing, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>(a) land and building valuation of cassava and other plantations on economic concession land in Kratie of approximately 15,268 hectares;</li> <li>(b) land and building valuation of sugarcane plantations on economic concession land in Koh Kong of approximately 17,232 hectares;</li> <li>(c) land and building valuation of mango, sugarcane, eucalyptus and cashew plantations on economic concession land in Kampong Speu of approximately 9,900 hectares;</li> <li>(d) land and inventory valuation of sugarcane plantations in Kampong Speu of approximately 7,024 hectares;</li> <li>(e) land and cashew plantation valuation of approximately 723 hectares in Kampong Speu; and</li> <li>(f) land and building valuation of paddy plantations in Banteay Meanchey of approximately 3,325 hectares.</li> </ul>
Independence	<p>The Second Valuer has confirmed that:</p> <ul style="list-style-type: none"> <li>(a) The Second Valuer and its professionals</li> </ul>



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	<p>do not have any current or prior relationships with the Company, its Substantial Shareholders or Directors and their associates in the past;</p> <p>(b) The Second Valuer was not involved in the discussions leading up the decision on the part of the Seller to enter into the Proposed Disposals;</p> <p>(c) The Second Valuer and its professionals do not have any material connection or involvement with HLHI and/or HLHA and/or the parties to the Proposed HLHI Disposal and/or the Proposed HLHA Disposal, including any current or prior relationships with the Purchaser, his associates and L.Y.P. Group Co., Ltd, and</p> <p>(d) there are no other factors that could limit its ability to provide an unbiased and objective valuation.</p>
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### SECOND VALUATION REPORT

- The Second Valuer is expected to complete the Additional Valuation and issue the Second Valuation Report prior to the date of the EGM.
- The Company will announce and make available a copy of the Second Valuation Report via SGXNet once it is ready, and Shareholders are advised to review the Circular together with the Second Valuation Report prior to deciding on how to vote on the Proposed Disposals. The Company will make all documents in relation to the EGM available for Shareholders to access at <https://www.honglaihuatgroup.com/extraordinary-general-meeting/>, as well as at the link stated in the Circular and the Notice of EGM.

### CAUTIONARY STATEMENT

- Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares as there is no certainty or assurance as at the date of this announcement that either or both of the Proposed Disposals will be completed. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their stock brokers, bank managers, solicitors or other professional advisers.

### BY ORDER OF THE BOARD

Dato' Dr. Ong Bee Huat, PBM  
Executive Deputy Chairman & Group Chief Executive Officer  
3 May 2024