
RESPONSE TO SGX-ST QUERIES DATED 6 FEBRUARY 2024

The Board of Directors (the “**Board**”) of Hong Lai Huat Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that it has received queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Queries**”) in relation to Company’s announcement dated 5 February 2024 in respect of the Proposal Disposal of HLH Agriculture (Cambodia) Co., Ltd. and Proposal Disposal of HLHI (Cambodia) Company Limited. (the “**Announcement**”). Unless otherwise defined herein or the context otherwise requires, all capitalised terms in this announcement shall have the meanings defined in the Announcement.

The Board wishes to respond to the Queries as follows:

Query 1:	<p>Pursuant to Listing Rules 1010(3) and with respect to HLHA:</p> <p>(a) Please disclose and quantify the factors taken into account in arriving at the aggregate value of the consideration of US\$36.0 million, i.e. S\$ 48.2 million for the proposed disposal when HLHA has a book value of S\$61.8 million and net tangible assets (“NTA”) of US\$43.4 million. In your response, please also substantiate why the Company is willing to incur a loss of S\$13.6 million to dispose HLHA at the proposed consideration value, which is at a discount of 17% of its NTA.</p> <p>(b) Please disclose the cost of investment, including loans and advances extended, by the Company in HLHA to-date.</p>
Response 1:	<p>(a) The Company’s rationale for entering into the Proposed HLHA Disposal on the terms and conditions of the HLHA SPA, including to sell the HLHA Sale Shares at the HLHA Disposal Consideration, has been disclosed in paragraphs 11.2 and 11.3 of the Announcement, while the basis on which the Company arrived at the HLHA Disposal Consideration has been disclosed in paragraph 8.1 of the Announcement.</p> <p>(b) As at 1 January 2024, the Company’s cost of investment in respect of its investment in HLHA was S\$21,055,709 and loans extended by the Seller to HLHA was S\$40,042,440.</p>
Query 2:	<p>Pursuant to Listing Rules 1010(3) and with respect to HLHI,</p> <p>(a) Please disclose and quantify the factors taken into account in arriving at the aggregate value of the consideration of US\$1.5 million, i.e. S\$ 2.0 million for the proposed disposal when HLHI has a book value of S\$1.8 million and NTA of US\$2.7 million. In your response, please also explain why the Company had decided to proceed with the disposal even though the consideration value is at a discount of 45% of the NTA of HLHI.</p> <p>(b) Please disclose the cost of investment, including loans and advances extended, by the Company in HLHI to-date.</p>

Response 2:	<p>(a) The Company’s rationale for entering into the Proposed HLHI Disposal on the terms and conditions of the HLHA SPA, including to sell the HLHI Sale Shares at the HLHI Disposal Consideration, has been disclosed in paragraphs 11.1 and 11.3 of the Announcement, while the basis on which the Company arrived at the HLHI Disposal Consideration has been disclosed in paragraph 4.1 of the Announcement.</p> <p>(b) As at 1 January 2024, the Company’s cost of investment in respect of its investment in HLHI was S\$1,755,139 and no loans and advances have been extended to HLHI.</p>
Query 3:	<p>We note that the HLHI Land has an area of 509.54 hectares and will be sold for US\$1.5 million. The HLHA Land has an area of 8,999.95 hectares and will be sold for US\$36.0 million.</p> <p>(a) Please explain the difference in valuation when the Lands are situated next to each other.</p> <p>(b) Please elaborate why no cultivation has been undertaken on the HLHI since its acquisition and whether the intent of the acquisition was for cultivation or otherwise.</p>
Response 3:	<p>(a) The selling price per hectare of the HLHA Land implied by the HLHA Disposal Consideration amounts to approximately S\$5,357.87 (based on the Exchange Rate) while the selling price per hectare of the HLHI Land implied by the HLHI Disposal Consideration amounts to approximately S\$3,943.14 (based on the Exchange Rate). Such difference in selling price was agreed on a “willing-buyer, willing-seller” basis between the Seller and the Purchaser, taking into account, <i>inter alia</i>, the following factors:</p> <p style="padding-left: 40px;">(i.) There are four (4) existing blocks of, amongst others, individual offices, warehouses, workstations, and production facilities located on the HLHA Land, including infrastructures such as road networks, electricity supply and water supply, while the HLHI Land does not have any fixed assets attached to it.</p> <p style="padding-left: 40px;">(ii.) Under the terms of the HLHA SPA, HLHA is entitled to the economic rights of the cassava crop currently planted on the HLHA Land, including any proceeds from the sale of such cassava crop upon it being harvested.</p> <p>(b) To clarify, the Announcement stated the HLHI Land as being dormant insofar as HLHI has not undertaken any heavy plantation activities or carried out any major investments on the HLHI Land to date, even though the HLHI Land is located next to the HLHA Land where cassava is planted. The HLHI Land was not acquired specifically for purposes of cultivation.</p>
Query 4:	<p>The Company had also disclosed that the purchaser is a high net worth businessman of Cambodian nationality and the chairman of one of the largest conglomerates in Cambodia.</p> <p>(a) Please disclose the identity of the Purchaser and details on the profile of the Purchaser, as well as the name of the Conglomerate in Cambodia, which he is holding chairmanship with (“Cambodia Conglomerate”).</p>

	<p>(b) Please also disclose the rationale of his acquisition of the HLHI and HLHA and explain how is the acquisition adjacent to the Cambodia Conglomerate.</p> <p>(c) Considering the substantial consideration value for HLHI and HLHA that aggregates to S\$50.2 million, please disclose how the Purchaser will be satisfying or financing the consideration value pursuant to Listing Rule 1010(3).</p> <p>(d) Please disclose where the Company will be receiving the payment of the US\$ consideration and whether it will be within or outside of Cambodia. To also disclose if there will be any foreign exchange or other restrictions for the Company to repatriate the funds back to Singapore</p>
Response 4:	<p>(a) The Purchaser is H.E Neak Okhna Ly Yong Phat. He is the president of L.Y.P. Group Co., Ltd (Company Registration No.: 00028391), a company incorporated in Cambodia, which is involved in the businesses of leisure and hospitality, real estate, media, infrastructure and utilities, plantation, and trading and distribution, and has held several key positions in the Royal Kingdom of Cambodia during his professional career.</p> <p>The Purchaser is purchasing the HLHA Sale Shares and the HLHI Sale Shares in his personal capacity and not on behalf of another person or entity.</p> <p>(b) The Company is unable to comment on the Purchaser’s rationale in entering into the Proposed HLHI Disposal and Proposed HLHA Disposal. However, the Board understands from the background of the Purchaser, that the Purchaser is well-suited to acquire the HLHI Land and HLHA Land.</p> <p>(c) The Company is unable to comment on the specific details of how the Purchaser will be satisfying or financing the HLHI Disposal Consideration and the HLHA Disposal Consideration. The terms of the HLHI SPA and HLHA SPA provide for HLHI Disposal Consideration and the HLHA Disposal Consideration to be payable in several tranches based on certain milestones, rather than in one lump sum payments.</p> <p>(d) The Company will receive payment of the US\$ consideration in Cambodia. The Board understands that there are no restrictions on foreign exchange operations, provided that loan disbursements and repayments are made through an authorized intermediary (i.e., a Cambodian-licensed bank), barring any temporary restrictions on foreign exchange operations during times of foreign exchange crises that may be imposed by the National Bank of Cambodia.</p>
Query 5:	<p>Pursuant to Listing Rule 1010(4), please disclose whether there are any material conditions attaching to the proposed disposals including a put, call or other option and details thereof.</p>
Response 5:	<p>Please refer to paragraph 5 and paragraph 9 of the Announcement in relation to the principal terms of the HLHI SPA and HLHA SPA respectively. No put, call or other options have been stipulated in the HLHI SPA or the HLHA SPA.</p> <p>Please refer to the following:</p> <p>HLHI SPA</p>

	<p>Pursuant to the HLHI SPA, should the Seller change its mind about selling 100% of the HLHI Sale Shares and/or the HLHI Disposal Consideration, and this results in the termination of the HLHI SPA, the Seller will compensate the Purchaser with twice the amount of all payments made to the Seller by the Purchaser.</p> <p>HLHA SPA</p> <p>Pursuant to the HLHA SPA,</p> <ul style="list-style-type: none"> (a) the Purchaser shall allow an additional period of three (3) months for the Company to obtain the Company Approvals if the Company is unable to obtain the same by the original timeframe, with the Seller compensating the Purchaser with 2% per month of any payments made to the Seller by the Purchaser; (b) if the Seller is delayed in complying with its obligations following the HLHA First Payment, the Seller will compensate the Purchaser with 1% per month of any payments made to the Seller by the Purchaser, except that if the Purchaser wishes to terminate the HLHA SPA in such event, the Purchaser shall compensate the Seller with twice the amount of all payments made to the Seller by the Purchaser; (c) should the Seller change its mind about selling 100% of the HLHA Sale Shares and/or the HLHA Disposal Consideration and/or is unable to perform its obligations in accordance with the HLHA Share Transfer Procedure after the Purchaser had serves the Seller fifteen (15) days' notice of the Seller's delay in performance of thereof, and this results in the termination of the HLHA SPA, the Seller will compensate the Purchaser with twice the amount of all payments made to the Seller by the Purchaser; (d) in the event the HLHA Land is less than 8,500 hectares, the HLHA Disposal Consideration shall be reduced at a rate of US\$4,000 per hectare, or in the event the area of the HLHA land is less than 8,300 hectares, the HLHA SPA shall be terminated; (e) the Seller shall remove the starch factory, corn drying tower, all equipment and machineries, machines, and all movable properties from the HLHA Land prior to the HLHA Third Payment.
<p>Query 6:</p>	<p>The Company had disclosed that "As the shares of HLHI are not listed on any stock exchange, and its net asset value is entirely represented by the HLHI Land held by HLHI as investment, the Company has appointed Key Real Estate Co., Ltd to conduct an independent valuation of the HLHI Land for the Proposed HLHI Disposal."</p> <ul style="list-style-type: none"> (a) Please disclose details of the independent valuation, including latest available valuation, the value placed on the assets and the basis and date of such valuation pursuant to Listing Rule 1010(5), as well as how does the valuation amount compare with the aggregate consideration of HLHI (US\$1.5 million, i.e. S\$ 2.0 million);

- (b) Please state if the valuation report for HLHI will be made available for inspection during normal business hours at the issuer's registered office for 3 months from the date of the announcement as required under Listing Rule 1011; and
- (c) Please provide further details on the size, track record and experience of Key Real Estate Co., Ltd and the professional that is responsible for the valuation report. In your response, please also disclose whether the firm and the professional are accredited by any professional body / agency and the name of the accreditation body (where applicable), as well as have any prior experience performing valuations for other listed companies and valuations in similar industries/assets.

Response 6:

(a) The Company would like to clarify that it had appointed Key Real Estate Co., Ltd to value the HLHI Land for the purpose of its audited consolidated accounts for FY2020 and FY2021 and appointed Japan Valuers (Thailand) Co., Ltd to value the HLHI Land for the purpose of its audited consolidated accounts for FY2022. The Company has appointed a third valuer, Asia Real Estate Cambodia Co., Ltd to value the HLHI Land for the purpose of its audited consolidated accounts for FY2023, which has not been completed and will announce the details of such valuation in due course when it is completed.

Financial Year	Valuer	Size, Track Record, Experience, and Accreditation	Valuation of HLHI Land (US\$) and Date of Valuation	Basis of Valuation	Comparison to HLHI Disposal Consideration (% nearest whole number)
2020	Key Real Estate Co., Ltd	KEY Real Estate Co. Ltd. ("KEY"), founded in 2010 by professional local and returnee Cambodians, is a fully licensed real-estate company offering full-fledged real-estate services to corporate, institutional and individual clients in Cambodia. KEY conducts a wide range of asset and property valuation including but not limited to: (a) Commercial property which includes hotel, guesthouse, serviced apartment, night club, clubhouse, resort, gasoline station, restaurant and retail outlets. Residential properties, consists of detached house/bungalow, flat/terrace house, villa,	2,900,000 (31 December 2020)	The valuation is made on the basis of the Comparison Method and Cost Method to value the HLHI Land and HLHA Land. Using the Comparison Method, KEY considered the sales of similar or substitute properties and related market data, and established a market value estimated by adjustments made for differences in factors (such as time element, location, frontage, shape, size, lot type, tenure and other relevant factors) that affect value.	93%
2021	Key Real Estate Co., Ltd		3,000,000 (31 December 2021)		100%

			<p>condominium, apartment, and townhouse, etc..</p> <p>(b) Industrial properties, includes factory, warehouse, special economic zone, etc,...</p> <p>(c) Agricultural properties, includes paddy field, rubber plantation, pig breeding farm, monkey breeding farm and crocodile breeding farm....With full recognition by the Ministry of Commerce, Ministry of Economy and Finance, and Cambodian Valuers and Estate Agents Association, our valuation can be used for multiple purposes including sale/purchase of property, mortgage/financing, accounting/internal management, initial public offering/share issuance, joint ventures, insurance and taxation, entry visa application, and other purposes.</p>		<p>Using Cost Method, KEY considered the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or could offer comparable utility. In practice, the Cost Method also involves an estimate of depreciation for older or less functional properties where the estimated cost of a new replacement is likely to exceed the price that would be paid for the subject property.</p>	
2022	Japan Valuers (Thailand) Co., Ltd	<p>Japan Valuers (Thailand) Co., Ltd. ("JVT"), head quarter in Tokyo, Japan, is an independent appraiser firm, opened through a joint venture in Bangkok, Thailand with Ratchaphum, a well-known real estate consultant expert and business leader. Ratchaphum becomes founding partner and managing director of Japan Valuer (Thailand) Co., Ltd.</p> <p>JVT provides services for real estate, plant machinery, intellectual property and business valuation and also provides services on three areas</p>	<p>3,230,000</p> <p>(14 December 2022)</p>	<p>The valuation was made on the basis of Market Approach to determine value of the land and Cost Approach to determine the depreciated replacement cost of buildings and other improvements.</p>	115%	

		<p>of the CLMV countries, including Thailand, Myanmar and Cambodia.</p> <p>Memberships:</p> <ul style="list-style-type: none"> (a) Cambodian Valuers and Estate Association (b) Japanese Business Association of Cambodia (c) Cambodian-Japan Association of Business & Investment 			
2023	Asia Real Estate Cambodia Co., Ltd	<p>Asia Real Estate (Cambodia) Co., Ltd (“ARC”) is a registered company in the Ministry of Commerce and holds a Property Valuation License issued by the Ministry of Economic and Finance.</p> <p>ARC’s valuation department consists of 35 employees and ARC has many corporative partners, including 28 banks, embassies, and other private sectors.</p> <p>ARC’s track record and experience includes providing valuations to the Banana, Rubber, and Cashew Nut Plantations ranging from 100 hectares to 3,500 hectares whereby the rubber plantations have been harvested 12 times to-date and to the Pepper, Mango, and Durian Plantations ranging from 100 hectares to 2,500 hectares, whereby crops have been planted.</p> <p>Memberships and Accolades:</p> <ul style="list-style-type: none"> (a) Recognized by the Ministry of Economy and Finance (b) Member of the Cambodian Valuers and Estate Agents Association. 	In Progress		
<p>(b) A copy of the aforesaid valuation reports for the HLHI Land will be available for inspection during normal business hours at the Company’s registered office 10 Bukit Batok Crescent #13-05, The Spire Building, Singapore 658079 for a period of three (3) months from the date of this announcement.</p>					

Shareholders who wish to inspect the aforementioned documents at the registered office are required to send an email request to dylanong@hlh.com.sg to make an appointment in advance.

(c) Please refer to responses to 6(a) above.

Query 7: The Company had disclosed that it “intends to appoint a competent and independent valuer to conduct a valuation for the enterprise value of HLHA, in accordance with Rule 1014(5) of the Listing Rules.”

(a) Please explain why did the Company enter into the sale and purchase agreement (“HLHA SPA”) with the Purchaser at the aggregate consideration value of US\$36.0 million, i.e. S\$ 48.2 million, prior to commissioning an independent valuation;

(b) Please disclose whether the aggregate consideration value will be subjected to further adjustment depending on the results of the independent valuation report; and

(c) The identity of the valuer that the Company will be engaging for the purpose of the valuation, their professional accreditation and their track record and experience in valuing similar assets and performing valuations for listed companies.

Response 7: (a) As disclosed in response to Query 7(c) below, the Company will be appointing a competent and independent valuer to value the enterprise value of HLHA for the purpose of the Proposed HLHA Disposal in compliance with Listing Rule 1014(5). As with the HLHI Land, the Company has annually conducted a valuation of the HLHA Land for the purpose of preparing its annual consolidated accounts. This valuation of the HLHA Land has not changed substantially for the past few financial years, and the Board is of the view that this value constitutes the bulk of HLHA’s enterprise valuation as the business operations of HLHA has been loss making, as evident in the NTA value of HLHA, as disclosed at paragraph 7.3 of the Announcement.

Financial Year	Valuer	Size, Track Record, Experience, and Accreditation	Valuation of HLHI Land (US\$) and Date of Valuation	Basis of Valuation	Comparison to HLHI Disposal Consideration (%)
2020	Key Real Estate Co., Ltd	Please refer to the information on KEY as disclosed in the table on the valuers of HLHI Land in response to Query 6(a) above.	60,800,000 (31 December 2020)	Please refer to the basis of valuation used by KEY as disclosed in the table on the	69%

	2021	Key Real Estate Co., Ltd		63,500,000 (31 December 2021)	valuers of HLHI Land in response to Query 6(a) above.	76%						
	2022	Japan Valuers (Thailand) Co., Ltd	Please refer to the information on JVT as disclosed in the table on the valuers of HLHI Land in response to Query 6(a) above.	61,652,000 (14 December 2022)	Please refer to the basis of valuation used by JVT as disclosed in the table on the valuers of HLHI Land in response to Query 6(a) above.	71%						
	2023	Asia Real Estate Cambodia Co., Ltd	Please refer to the information on ARC as disclosed in the table on the valuers of HLHI Land in response to Query 6(a) above.	In Progress								
	<p>(b) No further adjustment to the consideration value is contemplated.</p> <p>(c) The Company is in the midst of appointing a competent and independent valuer for the purpose of providing valuation for the enterprise value of HLHA and will announce this information when it does so.</p>											
Query 8:	On top of the Company's net loss of S\$2.4 million in HYFY2023, it will be incurring further losses of S\$13.6 million for the disposal of HLHA and expenses of S\$5.2 million in aggregate for the Proposed Disposals that comprise of legal, valuer and administrative fees and expenses, and consultancy fees payable to a consultant for advising the Parties on the Proposal Disposals. Please provide a breakdown disclosing the nature of the material expenses and explain why they are so substantial when the transaction is undertaken in Cambodia. To also disclose the identity of the consultant who is advising the Parties on the Proposed Disposals, the amount of fees paid and how the amount was derived.											
Response 8:	The table below sets out a breakdown of the current estimated expenses to be incurred in connection with the Proposed Disposals:											
	<table border="1"> <thead> <tr> <th>Expense</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Stamp duty</td> <td>S\$50,230</td> </tr> <tr> <td>Legal fees</td> <td>S\$80,000</td> </tr> </tbody> </table>		Expense	Amount	Stamp duty	S\$50,230	Legal fees	S\$80,000				
Expense	Amount											
Stamp duty	S\$50,230											
Legal fees	S\$80,000											

	<table border="1"> <tr> <td>Independent valuer fees</td> <td>S\$70,000</td> </tr> <tr> <td>Administrative cost</td> <td>S\$8,000</td> </tr> <tr> <td>Commission payable to the consultant</td> <td>5,022,975</td> </tr> <tr> <td>Total</td> <td>S\$5,231,205</td> </tr> </table> <p>As can be seen from the above table, the bulk of the estimated expenses comes from the fees payable by way of commission to Mr Lao Channara, a Cambodian businessman and the consultant who introduced the Purchaser to the Company, at the rate of 10% of the HLHA Disposal Consideration and the HLHI Disposal Consideration, and payable only if HLHA and/or HLHI receives the relevant consideration amount upon which such fees are calculated.</p>	Independent valuer fees	S\$70,000	Administrative cost	S\$8,000	Commission payable to the consultant	5,022,975	Total	S\$5,231,205
Independent valuer fees	S\$70,000								
Administrative cost	S\$8,000								
Commission payable to the consultant	5,022,975								
Total	S\$5,231,205								
Query 9:	<p>HLHA, which represents the agriculture business of the Company, contributes to 42.53% of the Group’s net asset value and represents all of the Group’s revenue for FY2022 and HYFY2023. The Company had also disclosed that it will be exiting the agricultural business to focus on the property development projects in Cambodia.</p> <p>(a) Considering that the Company had not reported any revenue from its property development and real estate business in FY2022 and HYFY2023, please confirm that the Company will be considered a cash company after the disposal of HLHA, pursuant to Listing Rule 1018 as it will no longer have any operations;</p> <p>(b) Otherwise, please disclose the revenue, net profit and NAV of the remaining business of the Group after the disposals and provide details of whether the Company will be able to operating a profitable business.</p>								
Response 9:	<p>(a) Pursuant to Rule 1018 of the Listing Rules, the Company will be considered a “cash company” only its assets consist wholly or substantially of cash or short-dated securities, which is not the case for the Company as the Group has significant property assets under its Property Division, including property units for sale and landbank for future development.</p> <p>(b) Furthermore, to clarify, while the Group did not report any revenue from sale of units under its Property Division in FY2022 and HY2023, the Group did obtain rental income amounting to approximately S\$500,000 in FY2022, and the Group recorded its share of profits from its Royal Group Platinum project (held under a 50%-owned associated company) of S\$695,000 in FY2022, and S\$2,071,000 in HY2023.</p>								
Query 10:	<p>Please explain the rationale for the final payment of 10% only 12 months after the transfer of all the relevant titles and transfer of shares in HLHA and why it is subject to the Seller harvesting all the cassava and the departure of the Seller’s subcontractors. To also explain how is this within the control of the Company and why it is in the best interest of the Company that this final payment be withheld for 12 months.</p>								
Response 10:	<p>To clarify, it was agreed as part of the terms of the HLHA SPA that the HLHA Disposal Consideration will be payable by the Purchaser in several tranches based on certain milestones as disclosed in the Announcement, including the final payment of 10% within the period of 12 months from the date of the HLHA SPA, which is the same</p>								

	<p>period within which HLHA is required to hand over the portion of the HLHA Land where the cassava crop is currently planted after completing the harvesting of such crop.</p> <p>As explained in the response to Query 3, as part of the terms of the HLHA SPA, HLHA had negotiated for the right to retain the economic rights to the cassava crop currently being planted on the relevant HLHA Land, and the terms of payment of the HLHA Disposal Consideration had been negotiated and agreed upon on a willing buyer willing seller basis, <i>inter alia</i>, taking such factor into consideration.</p>
<p>Query 11:</p>	<p>The Company disclosed that it “intends to use the net proceeds received from the Proposal Disposals for its general working capital and repayment of bank loans (where applicable).”</p> <ul style="list-style-type: none"> (a) Please disclose the breakdown with specific details on the use of proceeds for working capital, including the quantum of the proceeds utilized; (b) Please disclose the amount of working capital currently generated by the remaining business and explain why it requires such a significant amount for its working capital instead of distributing the proceeds back to its shareholders; (c) Please provide an outlook on the prospects of the Company’s remaining business to justify why it will be retaining the significant proceeds and injecting them for such prospects; (d) Please disclose the current outstanding bank loans for the Company and when they fall due, including the quantum of bank loans repaid using the proceeds and the gearing ratios of the Group before and after the repayment of these loans.
<p>Response 11:</p>	<p>(a) & (b) Given the nature of the Group’s business under its Property Division, it requires not only general working capital for day-to-day operational expenses or requirements such as staff costs, administrative costs and financing costs (collectively “General Working Capital”), but also working capital for funding ongoing property development projects or for construction of and/or deployment towards new or future property development projects and/or to explore other investment opportunities (the “Ongoing Capital Requirements”). The Company currently estimates that approximately 30% of the net proceeds raised from the Proposed Disposals will be used as General Working Capital while the remaining 70% from the net proceeds raised from the Proposed Disposals will be used as Ongoing Capital Requirements, subject to such changes or adjustments as the Board may consider necessary or desirable or based, <i>inter alia</i>, on the requirements of the business.</p> <p>The past few years have been challenging for the property market in Cambodia, firstly with the global COVID-19 pandemic, and subsequent to that, a general drop in customer demand in the overall market, <i>inter alia</i>, following some negative media reports on the country, resulting in the absence of sale of units in the Property Division for FY2022 and HY2023. Project development projects in Cambodia also require significant equity funding as large-scale bank financing of project development projects in Cambodia is not common. In view of the foregoing, the Board is of the view that the proceeds to be raised from the Proposed Disposals will be timely and opportune for meeting General Working Capital as well as Ongoing Capital Requirements, and it would be prudent for the Company to set aside all of such proceeds for such purposes.</p>

As disclosed in the FY2022 audited financial statements and the HY2023 unaudited financial statements, the net cash used in operating activities for FY2022 was S\$0.8 million and this increased to S\$2.5 million for HY2023, while cash and cash equivalents reduced by S\$15.8 million for FY2022, and reduced by a further S\$6.1 million for HY2023. Further details on the Group's financial performance and financial position will be disclosed when the Company announces its unaudited financial results announcement for the financial year ended 31 December 2023.

(c) Please refer to our response to Query 11(a) and 11(b) above.

(d) Please refer to the following figures, computed based on an exchange rate of US\$1.00 : S\$1.33940:

Bank loans:

Company	Description of Bank Loans	Outstanding amount as at 31 January 2024 (US\$)	Outstanding amount as at 31 January 2024 (S\$)
Loans made in Cambodia			
PH One Development Cambodia Limited	Term loan (Monthly payment; due end April 2033)	4,729,062	-
	Bank overdraft	1,265,308	-
Loans made in Singapore			
Hong Lai Huat Group Limited	Term Loans (Monthly payment; due end July 2025)	-	1,612,698
	Bank overdraft	415,849	-

Gearing before and after repayment of bank loans:

	Before Proposed Disposals (S\$)	After Proposed Disposals (S\$)	After repayment of all bank loans (S\$)
Group NTA as at 31 Dec 2022 audited result	137,843,000	118,849,665	118,849,665
Borrowing as at 31 Jan 2024	10,198,545	10,198,545	-
Gearing of the Group (times)	0.07	0.09	-