

HONG LAI HUAT GROUP LIMITED

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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE – LISTING AND QUOTATION OF RIGHTS SHARES

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Offer Information Statement (as defined below).

1. INTRODUCTION

The Board of Directors of Hong Lai Huat Group Limited (the “**Company**”) refers to the Company’s announcements on 3 December 2020, 27 December 2020, 29 January 2021, 1 February 2021, 22 February 2021, 23 February 2021, 4 March 2021 and 25 March 2021 in relation to, among others, the Rights Issue and the offer information statement dated 4 March 2021 issued by the Company in relation to the Rights Issue (the “**Offer Information Statement**”).

2. ISSUE AND LISTING OF RIGHTS SHARES

The Company wishes to announce that an aggregate of 295,910,922 Rights Shares have been allotted and issued by the Company on 26 March 2021 pursuant to the Rights Issue.

Based on the foregoing, the proceeds raised by the Company from the Rights Issue are approximately S\$26.9 million. Of the proceeds, an amount of approximately S\$14.2 million (representing the consideration for 155,512,465 Rights Shares subscribed for by the Undertaking Shareholder pursuant to the Irrevocable Undertaking) has been allocated and will be utilised to satisfy (by way of Set-off) a portion of the Outstanding Indebtedness of S\$14,409,829.22 in accordance with the stated use and the percentage allocated as disclosed in the Offer Information Statement. The remaining amount of approximately S\$0.3 million of the Outstanding Indebtedness will be paid out of the cash proceeds from the Rights Issue.

The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividend, rights, allotments or other distributions that may be declared or paid, the record date for which falls on or before the date of allotment and issue of the Rights Shares.

Following the allotment and issue of 295,910,922 Rights Shares, the number of issued Shares will increase from 221,933,192 Shares to 517,844,114 Shares.

The Rights Shares are expected to be listed and quoted on the Main Board of the SGX-ST on 30 March 2021, and trading of such Rights Shares is expected to commence with effect from 9.00 a.m. on 30 March 2021.

3. TRADING OF ODD LOTS

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on the Main Board of the SGX-ST are able to trade odd lots of Shares in board lots of one Share on the SGX-ST's Unit Share Market. The SGX-ST's Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. The market for trading of such odd lots may be illiquid. Shareholders who hold odd lots of Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares.

BY ORDER OF THE BOARD

Liew Meng Ling
Company Secretary

Singapore,
Date: 29 March 2021