

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE – RECEIPT OF
IN-PRINCIPLE APPROVAL FROM THE SGX-ST**

1. INTRODUCTION

The Board of Directors of Hong Lai Huat Group Limited (the “**Company**”) refers to the Company’s announcements dated 3 December 2020 and 27 December 2020 (collectively, the “**Announcements**”) in relation to, amongst others, the proposed renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 295,910,922 new ordinary shares in the share capital of the Company (the “**Rights Shares**”), at an issue price of S\$0.091 for each Rights Share, on the basis of four (4) Rights Shares for every three (3) existing ordinary shares in the issued and paid-up share capital of the Company held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Announcements.

2. RECEIPT OF IN-PRINCIPLE APPROVAL FROM THE SGX-ST

Further to the Announcements, the Board wishes to announce that the SGX-ST has on 28 January 2021 granted its in-principle approval for the listing of and quotation for up to 295,910,922 Rights Shares on the Main Board of the SGX-ST pursuant to the Rights Issue, subject to the following:

- (a) compliance with the SGX-ST’s listing requirements;
- (b) approval by Shareholders for the Rights Issue;
- (c) submission of a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of the 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
- (d) submission of a written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares.

The Company will provide the written undertakings referred to in sub-paragraphs (c) and (d) above to the SGX-ST.

The in-principle approval granted by the SGX-ST for the admission of, listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and/or the Shares.

The notice of the extraordinary general meeting to be convened and a circular to Shareholders containing details on, amongst others, the Rights Issue and the Whitewash Resolution will be made available to Shareholders in due course.

BY ORDER OF THE BOARD

Liew Meng Ling
Company Secretary

Singapore,
Date: 29 January 2021