

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE – RESULTS OF RIGHTS ISSUE

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 (the “**Board**”) 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 and 4 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**”).

The Company wishes to thank Shareholders for demonstrating their support for the Company by participating in the Rights Issue, at the EGM and through the subscription process, and enabling the successful completion of the Rights Issue.

2. RESULTS OF THE RIGHTS ISSUE

2.1 Level of Subscription

The Company announces that, as at the close of the Rights Issue on 22 March 2021, valid acceptances and excess applications were received for 298,748,228 Rights Shares, representing approximately 100.96% of the 295,910,922 Rights Shares available under the Rights Issue.

This includes 158,349,771 Rights Shares, representing approximately 53.5% of the 295,910,922 Rights Shares available under the Rights Issue, comprising the Undertaking Shareholder’s *pro rata* entitlement of 62,208,000 Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders) and 96,141,771 Excess Rights Shares, subscribed by the Undertaking Shareholder in accordance with the Irrevocable Undertaking and the Set-off Agreement.

Details of the valid acceptances and excess applications received for Rights Shares are as follows:

	Number of Rights Shares	As a percentage of the total number of Rights Shares available under the Rights Issue (%)
Valid Acceptances	155,834,825	52.66
Excess Applications	142,913,403	48.30
Total	298,748,228	100.96

A total of 140,076,097 Rights Shares were not taken up or validly accepted/subscribed for by Entitled Shareholders pursuant to the Rights Issue. 140,076,097 of these Rights Shares not taken up or validly accepted/subscribed for were allocated to satisfy all valid applications for Excess Rights Shares.

The Company had, in the allotment of any Excess Rights Shares, given preference to Shareholders for the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) ranked last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

2.2 Allotment and Crediting of Rights Shares

CDP will send Depositors with valid acceptances and/or successful applications for Excess Rights Shares, by ordinary post at their own risk, to their respective mailing addresses as maintained with CDP, a notification letter stating the number of Rights Shares that have been allotted to their respective Securities Accounts. The Rights Shares are expected to be credited to the Securities Accounts of such Depositors on or around 30 March 2021.

In the case of Entitled Scripholders with valid acceptances and/or successful applications for Excess Rights Shares, certificates in respect of the Rights Shares will be sent, by ordinary post at their own risk, to their respective mailing addresses as maintained with the Share Registrar.

2.3 Distribution of Net Sale Proceeds of “Nil-Paid” Rights to Ineligible Shareholders

A total of 993,900 “nil-paid” Rights for the Rights Shares which would otherwise have been provisionally allotted to Ineligible Shareholders have been sold “nil-paid” on the Main Board of the SGX-ST during the “nil-paid” Rights trading period as provided in the Offer Information Statement. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Shareholders in proportion to their respective shareholdings as at the Record Date, save that no payment will be made of amounts of less than S\$10.00 to a single or joint Ineligible Shareholder and the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company. No Ineligible Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Manager, CDP, the CPF Board or the Share Registrar and their respective officers in connection therewith.

2.4 Net proceeds from Rights Issue

The Company has raised net proceeds of approximately S\$26.3 million (after deducting estimated expenses of approximately S\$0.6 million) from the Rights Issue (the “**Net Proceeds**”). In line with the information disclosed in the Offer Information Statement, the Company intends to utilise the Net Proceeds as follows:

Use of Net Proceeds	Estimated amount (S\$ million)
Repayment of the Outstanding Indebtedness to the Undertaking Shareholder	14.4
Project development cost for on-going 2nd mixed-use development project, Royal Platinum, located in Toul Kork	4.6

Use of Net Proceeds	Estimated amount (S\$ million)
New project land and development cost for the 3rd mixed-use development project located in Toul Kork	4.6
General working capital	2.6
Total	26.3

3. REFUND FOR INVALID OR UNSUCCESSFUL ACCEPTANCES AND EXCESS APPLICATIONS

When any acceptance for Rights Shares and/or excess application is invalid or unsuccessful, the amount paid on acceptance and/or application, or the surplus application monies, as the case may be, will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within three (3) business days after the commencement of trading of the Rights Shares, by any one or a combination of the following:

- (a) where the acceptance and/or application had been made through CDP, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions or in the case where refunds are to be made to Depository Agents, by means of telegraphic transfer;
- (b) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing address in Singapore as maintained in the records of the Share Registrar; and
- (c) where the acceptance and/or application had been made through Electronic Applications through an ATM of a Participating Bank, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the Company's, the Manager's and CDP's obligations, if any, thereunder.

4. ISSUE AND LISTING OF THE RIGHTS SHARES

The Company expects that 295,910,922 Rights Shares will be allotted and issued on or about 26 March 2021 pursuant to the Rights Issue.

The Company further expects that the Rights Shares will be listed and quoted on the Main Board of the SGX-ST on or about 30 March 2021 and trading of such Rights Shares will commence with effect from 9.00 a.m. on 30 March 2021. The Company will release an announcement to advise Shareholders on the date for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST in due course.

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 the 295,910,922 Rights Shares, the number of issued Shares will increase from 221,933,192 Shares as at the date of this announcement to 517,844,114 Shares.

The Board would again like to thank all Shareholders for their support for the Company by participating in the Rights Issue and enabling the successful completion of the Rights Issue.

BY ORDER OF THE BOARD

Liew Meng Ling
Company Secretary

Singapore,
Date: 25 March 2021