

THIS DOCUMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS DOCUMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

A copy of this offer information statement (the “**Offer Information Statement**”), together with a copy of each of the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”), the Application Form for Rights Shares (the “**ARS**”) and the Provisional Allotment Letter in respect of the Rights Issue (as defined herein) (the “**PAL**”), has been lodged with the Monetary Authority of Singapore (the “**MAS**”). The MAS assumes no responsibility for the contents of this Offer Information Statement, the ARE, the ARS and the PAL. Lodgment of this Offer Information Statement, the ARE, the ARS and the PAL with the MAS does not imply that the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the merits of the Rights or the Rights Shares (each as defined herein) being offered for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after all the conditions imposed by the SGX-ST are satisfied, the certificates for the Rights Shares have been issued and the notification letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched. The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. Approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Rights, the Rights Shares, Hong Lai Huat Group Limited (the “**Company**”), its subsidiaries, its associated company (together with the Company and its subsidiaries, the “**Group**”) and/or the ordinary shares in the issued and paid-up share capital of the Company (the “**Shares**”).

This Offer Information Statement is not an offer to sell or a solicitation of an offer to buy shares or other securities, including the Rights and the Rights Shares. This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights and the Rights Shares or make an offer of the Rights and the Rights Shares, and the Rights and the Rights Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. Persons to whom a copy of this Offer Information Statement has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Information Statement or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution (or dissemination in accordance with applicable laws or regulations) of the Notification, this Offer Information Statement and/or the transfer of the Rights and the Rights Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Offer Information Statement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Offer Information Statement and its accompanying documents may be accessed at the Company’s website at the URL <https://honglaihuatgroup.com/announcements-press-release/>, and is also available on the SGX-ST’s website at the URL <https://www.sgx.com/securities/company-announcements>. In accordance with the Securities and Futures (Offers of Investments) (Temporary Exemption from Sections 277(1)(c) and 305B(1)(b)) Regulations 2020, printed copies of this Offer Information Statement will NOT be despatched to any person. Printed copies of the ARE and the ARS, in the case of Entitled Depositors, and the PAL, in the case of Entitled Scripholders, and a notification containing instructions on how Entitled Shareholders can access this Offer Information Statement electronically, will be despatched to Entitled Shareholders.

Please refer to the sections entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” and “**Offering, Selling and Transfer Restrictions**” of this Offer Information Statement. No Rights or Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgment of this Offer Information Statement.



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore on 4 September 1999)
(Company Registration No. 199905292D)

Manager for the Rights Issue



SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200401542N)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 295,910,922 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 SHARES HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

IMPORTANT DATES AND TIMES

Last date and time for splitting and trading of Rights	:	16 March 2021 at 5:00 p.m.
Last date and time for acceptance of and payment for Rights Shares and/or application and payment for Excess Rights Shares (as defined herein)	:	22 March 2021 at 5:00 p.m. for applications made through CDP or the Share Registrar 22 March 2021 at 9:30 p.m. for Electronic Applications through ATMs of the Participating Banks

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IMPORTANT NOTICE

Capitalised terms used which are not otherwise defined herein shall have the same meaning as ascribed to them in the section entitled “**Definitions**” of this Offer Information Statement.

For Entitled Depositors, acceptances of their provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares may be made through (a) CDP and/or (b) by way of an Electronic Application at any ATM of a Participating Bank.

For Entitled Scripholders, acceptances of their provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares may be made through B.A.C.S. Private Limited.

The existing Shares are quoted on the Main Board of the SGX-ST.

Persons wishing to participate in the Rights Issue should, before deciding whether to do so, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Company and the Group, including, but not limited to, the assets and liabilities, profits and losses, financial position and performance and prospects of the Company and the Group and the rights and liabilities attaching to the Rights and the Rights Shares. They should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the affairs of the Company and the Group, including, but not limited to, the assets and liabilities, profits and losses, financial position and performance and prospects of the Company and the Group, as well as any bases and assumptions upon which financial projections, if any, are made or based, and their own appraisal and determination of the merits of investing in the Company and the Group. No information in this Offer Information Statement should be considered to be business, legal, financial or tax advice. Persons in doubt as to the action they should take should consult their business, legal, financial, tax or other professional adviser before deciding whether to participate in the Rights Issue.

Investors should read the section entitled “**Risk Factors**” of this Offer Information Statement.

CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent should refer to the section entitled “Important Notice to (A) CPFIS Members, (B) SRS Investors and (C) Investors Who Hold Shares Through a Finance Company and/or Depository Agent” of this Offer Information Statement for important details relating to the offer procedure for them.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue and the issue of the Rights Shares, and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Group or the Manager. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares, shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company will make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the MAS. All Entitled Shareholders and their renounees should take note of any such announcement and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company and the Manager makes no representation to any person regarding the legality of an investment in the Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, legal, financial or tax advice.

IMPORTANT NOTICE

The Manager makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights, the Rights Shares, the Group and/or the Shares or any other matter related thereto or in connection therewith.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the Rights, the Rights Shares or the Shares.

This Offer Information Statement and the accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue, and may not be relied upon by any persons (other than Entitled Shareholders to whom it is despatched (or disseminated in accordance with such laws or regulations as may be applicable) by the Company, their renounees and Purchasers (as defined herein) or for any other purpose.

The Notification (as defined herein), this Offer Information Statement, including the ARE, the ARS and the PAL, may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution (or dissemination in accordance with applicable laws or regulations) of the Notification, this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Entitled Shareholders or any other persons having possession of this Offer Information Statement are advised to keep themselves informed of and observe such prohibitions and restrictions. Please refer to the section entitled “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.

The Rights and the Rights Shares, have not been approved or disapproved by the United States of America (“U.S.”) Securities and Exchange Commission, any state securities commission in the U.S. or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights or the Rights Shares, or the accuracy or adequacy of this Offer Information Statement. Any representation to the contrary may be a criminal offence in the U.S.

Notification under Section 309B of the SFA: The provisional allotments of Rights Shares and the Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**IMPORTANT NOTICE TO (A) CPFIS MEMBERS, (B) SRS INVESTORS AND (C)
INVESTORS WHO HOLD SHARES THROUGH A FINANCE COMPANY
AND/OR DEPOSITORY AGENT**

For CPFIS Members, SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights and (if applicable) applications for Excess Rights Shares must be done through their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, respectively.

ANY ACCEPTANCE AND/OR (IF APPLICABLE) APPLICATION MADE DIRECTLY BY THE ABOVEMENTIONED PERSONS THROUGH CDP, ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANKS WILL BE REJECTED.

The abovementioned persons, where applicable, will receive notification letter(s) from their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be, and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the Rights and (if applicable) applications for Excess Rights Shares to their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be.

(a) Use of CPF Funds

CPFIS Members can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Shares and (if applicable) application for Excess Rights Shares.

Such CPFIS Members who wish to accept their Rights and (if applicable) apply for Excess Rights Shares using their CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement.

In the case of insufficient CPF Funds or stock limit, such CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept their Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf.

CPF Funds cannot, however, be used for the purchase of Rights directly from the market.

(b) Use of SRS Funds

SRS Investors can only use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights and (if applicable) application for Excess Rights Shares.

Such SRS Investors who wish to accept their Rights and (if applicable) apply for Excess Rights Shares using SRS monies will need to instruct their respective SRS Approved Banks with whom they hold their SRS accounts to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement.

SRS Investors who have insufficient funds in their SRS accounts could, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf.

SRS monies cannot, however, be used for the purchase of Rights directly from the market.

**IMPORTANT NOTICE TO (A) CPFIS MEMBERS, (B) SRS INVESTORS AND (C)
INVESTORS WHO HOLD SHARES THROUGH A FINANCE COMPANY
AND/OR DEPOSITORY AGENT**

(c) Holdings through Finance Company and/or Depository Agent

Shareholders who hold Shares through a finance company and/or Depository Agent will need to instruct their respective finance company and/or Depository Agent to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Manager nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those statements.

In light of the ongoing uncertainties in the global financial markets and its contagion effect on the real economy, any forward-looking statements contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, each of the Company and the Manager disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur after the lodgment of this Offer Information Statement with the MAS but before the Closing Date (as defined herein) and are material, or are required to be disclosed by law and/or the SGX-ST, the Company will make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the MAS.

DEFINITIONS

For the purpose of this Offer Information Statement, the ARE, the ARS and the PAL, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

“ARE”	:	Application form for Rights Shares and Excess Rights Shares issued to Entitled Depositors in respect of their Rights under the Rights Issue
“ARS”	:	Application form for Rights Shares issued to Purchasers in respect of their purchase of Rights traded on the SGX-ST through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine of a Participating Bank
“Audit Committee”	:	The Audit Committee of the Company
“Board”	:	The board of Directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	The circular to Shareholders dated 1 February 2021 in relation to the Rights Issue Resolution and the Whitewash Resolution
“Closing Date”	:	(a) 5:00 p.m. on 22 March 2021 , being the last time and date for acceptance of and/or excess application and payment for the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (b) 9:30 p.m. on 22 March 2021 , being the last time and date for acceptance of and/or excess application and payment for the Rights Shares under the Rights Issue through an ATM of a Participating Bank, or in each case, such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Hong Lai Huat Group Limited
“Concert Party Group”	:	The Undertaking Shareholder, together with Ong Jia Ming, Ong Jia Jing and Ms. Lau
“Constitution”	:	The Constitution of the Company, as amended or modified from time to time
“CPF”	:	Central Provident Fund
“CPF Funds”	:	CPF investible savings
“CPF Investment Account”	:	The investment account maintained with an approved CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account

DEFINITIONS

“CPFIS”	:	CPF Investment Scheme
“CPFIS Members”	:	Shareholders who have previously purchased Shares using their CPF Funds under their CPF Investment Accounts
“Director(s)”	:	The director(s) of the Company, as at the date of this Offer Information Statement
“EGM”	:	The extraordinary general meeting of the Company held by way of electronic means at 9:00 a.m. on 23 February 2021
“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions contained in this Offer Information Statement and the relevant procedures for electronic applications through an ATM as set out in this Offer Information Statement or on the ATM screens of the relevant Participating Bank
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts as at the Record Date and (a) whose registered addresses with CDP are in Singapore as at the Record Date, or (b) who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Share Registrar registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and (a) whose registered addresses with the Company are in Singapore as at the Record Date, or (b) who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per Share
“Excess Rights Shares”	:	Rights Shares represented by the provisional allotments of Rights Shares not accepted (whether by the persons to which the Rights Shares are provisionally allotted or by the Purchasers of “nil-paid” Rights), taken up or allotted for any reason and the fractional provisional allotments of Rights Shares not allotted in accordance with the terms of the Rights Issue
“Existing Share Capital”	:	The issued share capital of the Company comprising 221,933,192 Shares as at the Latest Practicable Date
“First Tranche Payment”	:	50.0% of the purchase price for the Land amounting to US\$11,226,150, payable upon signing of the Land SPA
“Foreign Purchasers”	:	Purchasers of the Rights whose registered addresses with CDP are outside Singapore at the time of purchase through the book-entry (scripless) settlement system

DEFINITIONS

“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) Market Days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended 31 December
“Group”	:	The Company, its subsidiaries and its associated company
“Independent Shareholders”	:	The Shareholders who are deemed to be independent for the purpose of the Whitewash Resolution, being the Shareholders other than the Concert Party Group and their concert parties as well as parties not independent of them
“Ineligible Shareholders”	:	Shareholders other than the Entitled Shareholders
“Irrevocable Undertaking”	:	The deed of irrevocable undertaking dated 3 December 2020 provided by the Undertaking Shareholder to the Company, pursuant to which the Undertaking Shareholder has agreed to subscribe and pay in full for his <i>pro rata</i> entitlement of 62,208,000 Rights Shares (entitlement <i>pro rata vis-à-vis</i> all other Shareholders) and, subject to availability, 96,141,771 Excess Rights Shares pursuant to the Rights Issue for a total consideration of up to the Maximum Subscription Amount
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.091 for each Rights Share
“Land”	:	A plot of freehold land with the total land size of approximately 1.2 hectares located in Toul Kork, which is proposed to be used for the Group’s 3rd mixed-use development project
“Land Acquisition”	:	The acquisition of the Land by PHDC from Lao Channara in accordance with the terms and conditions of the Land SPA
“Land SPA”	:	The sale and purchase agreement dated 11 September 2020 entered into between PHDC and Lao Channara for the Land Acquisition
“Last Trading Day”	:	3 December 2020, being the last trading day on which trades were done on the Shares prior to the Original Announcement
“Latest Practicable Date”	:	26 February 2021, being the latest practicable date prior to the lodgment of this Offer Information Statement
“Listing Manual”	:	The Mainboard Rules of the SGX-ST, as amended, modified or supplemented from time to time
“Manager” or “SAC Capital”	:	SAC Capital Private Limited, the manager for the Rights Issue
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MAS”	:	The Monetary Authority of Singapore

DEFINITIONS

“MAS Exchange Rate”	:	The exchange rate of US\$1.00 : S\$1.3364 (being the daily exchange rate published by the MAS on 2 December 2020, the day immediately preceding the date of the Set-off Agreement)
“Maximum Subscription Amount”	:	The maximum subscription amount for the Undertaking Shareholder’s subscription of 62,208,000 Rights Shares and 96,141,771 Excess Rights Shares (subject to availability), being S\$14,409,829.16
“Maximum Subscription Scenario”	:	Based on the Existing Share Capital, if the allotment ratio of the Rights Issue is directly applied to the Existing Share Capital and assuming all the Rights Shares are subscribed, 295,910,922 Rights Shares will be issued under the Rights Issue
“Minimum Subscription Scenario”	:	Based on the Existing Share Capital and assuming (a) the Whitewash Resolution is approved, (b) none of the Entitled Shareholders (excluding the Undertaking Shareholder) subscribe for their <i>pro rata</i> entitlements of Rights Shares, and (c) only the Undertaking Shareholder subscribes for his <i>pro rata</i> entitlement of 62,208,000 Rights Shares (entitlement <i>pro rata vis-à-vis</i> all other Shareholders) and 96,141,771 Excess Rights Shares in addition to his <i>pro rata</i> entitlement, 158,349,771 Rights Shares will be issued under the Rights Issue
“Ms. Lau”	:	Ms. Lau Yen Eng, the wife of the Undertaking Shareholder
“Notification”	:	The notification dated 8 March 2021 containing instructions on how Entitled Shareholders and Purchasers can access this Offer Information Statement electronically in accordance with the Securities and Futures (Offers of Investments) (Temporary Exemption from Sections 277(1)(c) and 305B(1)(b)) Regulations 2020
“NTA”	:	Net tangible assets
“Offer Information Statement”	:	This document, together with (where the context requires) the ARE, the ARS, the PAL and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) to be issued by the Company and to be lodged with the MAS in connection with the Rights Issue
“Original Announcement”	:	The announcement made by the Company on 3 December 2020 relating to the Rights Issue and the Set-off
“Outstanding Indebtedness”	:	The principal amount and accrued interest outstanding under the PHDC Loan as at the date of the Set-off Agreement of approximately US\$10,782,572 (equivalent to approximately S\$14,409,829.22 based on the MAS Exchange Rate)
“PAL”	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out their provisional allotment of Rights Shares under the Rights Issue

DEFINITIONS

"Participating Banks"	:	DBS Bank Ltd. (including POSB Bank), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
"PHDC"	:	Public Housing Development (Cambodia) Limited, a wholly-owned subsidiary of the Company
"PHDC Loan"	:	The loan of US\$11,000,000, bearing interest at a rate of 6.0% per annum, that the Undertaking Shareholder agreed to extend to PHDC under the PHDC Loan Agreement
"PHDC Loan Agreement"	:	The loan agreement dated 30 October 2020 entered into between PHDC and the Undertaking Shareholder, pursuant to which the Undertaking Shareholder agreed to extend a loan of US\$11,000,000 to PHDC
"Purchaser(s)"	:	A purchaser of the Rights traded on the SGX-ST through the book-entry (scripless) settlement system
"Record Date"	:	5:00 p.m. on 3 March 2021, being the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the Rights of Entitled Shareholders under the Rights Issue
"RHLHOC"	:	Royal Hong Lai Huat One Company Limited, the joint venture between the Group and the Royal Group to undertake the 2nd mixed-use development project, Royal Platinum, located in Toul Kork
"Rights"	:	Rights to subscribe for four (4) Rights Shares for every three (3) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded
"Rights Issue"	:	The proposed renounceable non-underwritten rights issue by the Company of up to 295,910,922 Rights Shares, at the Issue Price for each Rights Share, on the basis of four (4) Rights Shares for every three (3) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement
"Rights Issue Resolution"	:	The resolution passed by the Shareholders at the EGM to approve the issue of Rights Shares pursuant to the Rights Issue
"Rights Shares"	:	The new Shares to be allotted and issued by the Company pursuant to the Rights Issue
"Royal Group"	:	Royal Group of Companies Ltd
"Second Tranche Payment"	:	30.0% of the purchase price for the Land amounting to US\$6,735,690, payable after 90 business days from the date of the Land SPA
"Securities Account"	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)

DEFINITIONS

“Set-off”	:	Pursuant to the Set-off Agreement, the satisfaction of the Outstanding Indebtedness, in whole or in part by setting off (a) S\$5,660,928.00 payable by the Undertaking Shareholder for his subscription of his <i>pro rata</i> entitlement of 62,208,000 Rights Shares, and (b) up to S\$8,748,901.16 payable by the Undertaking Shareholder for his subscription of 96,141,771 Excess Rights Shares allotted to him (subject to availability)
“Set-off Agreement”	:	The set-off agreement dated 3 December 2020 entered into by the Undertaking Shareholder, the Company and PHDC, pursuant to which the Undertaking Shareholder will satisfy his payment obligations under the Irrevocable Undertaking in full by setting off the Maximum Subscription Amount on the one hand, against the Outstanding Indebtedness on the other hand
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	The Share Registrar of the Company, B.A.C.S. Private Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council
“SIC Conditions”	:	Has the meaning ascribed to it in the section entitled “ Take-over Limits ” of this Offer Information Statement
“Singapore”	:	The Republic of Singapore
“SRS”	:	Supplementary Retirement Scheme
“SRS Approved Banks”	:	Approved banks with whom SRS Investors hold their accounts under the SRS
“SRS Investors”	:	Investors who have previously purchased Shares under the SRS
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that voting share, or those voting shares, is not less than five (5) per cent. of the total votes attached to all the voting shares in the Company (excluding treasury shares)

DEFINITIONS

“Supplemental Announcement”	:	The supplemental announcement made by the Company on 27 December 2020 to elaborate on the rationale and purpose of the Rights Issue and change in the use of proceeds
“TERP”	:	The theoretical market price of each Share assuming the completion of the Rights Issue and the Rights Issue is fully subscribed, which is calculated based on the market capitalisation of the Company based on the last transacted price of the Shares on the Main Board of the SGX-ST of S\$0.143 per Share on the Last Trading Day and the gross proceeds of the Rights Issue, divided by the total number of Shares following the issuance of the Rights Shares
“Third Tranche Payment”	:	20.0% of the purchase price for the Land amounting to US\$4,490,460, payable after 180 business days from the date of the Land SPA
“Toul Kork”	:	Toul Kork District in Phnom Penh City, Cambodia
“Undertaking Shareholder”	:	Dato Dr. Ong Bee Huat, Executive Deputy Chairman and Group Chief Executive Officer of the Company
“Whitewash Resolution”	:	The resolution passed by a majority of the Independent Shareholders, before the issue of the Rights Shares and any Excess Rights Shares, by way of poll to waive their rights to receive a general offer from the Concert Party Group as a result of the acquisition of Rights Shares pursuant to the Rights Issue
“Whitewash Waiver”	:	The ruling obtained by the Company from the SIC on 24 November 2020 that the Concert Party Group will be exempted from the requirement to make a general offer for all the Shares under Rule 14 of the Code in the event that their aggregate voting rights in the Company increases to 30.0% or more as result of the Rights Issue
“S\$” and “cents”	:	Dollars and cents, respectively, the lawful currency of Singapore
“U.S.”	:	The United States of America
“US\$”	:	United States dollars, the lawful currency of the U.S.
“%” or “per cent.”	:	Per centum or percentage

In this Offer Information Statement, references to “**we**”, “**our**” and “**us**” mean, as the context requires, Hong Lai Huat Group Limited on an unconsolidated basis or Hong Lai Huat Group Limited and its subsidiaries on a consolidated basis. References to the “**Company**” are to Hong Lai Huat Group Limited on an unconsolidated basis and references to the “**Group**” are to Hong Lai Huat Group Limited, its subsidiaries and its associated company on a consolidated basis.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

DEFINITIONS

The term “**associated company**” shall have the meaning ascribed to it in the Listing Manual.

The terms “**acting in concert**”, “**concert parties**” and “**effective control**” shall have the meanings ascribed to them respectively in the Code.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the SFA, the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, the Listing Manual, the Code, or any amendment or modification thereof and not otherwise defined in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, the Listing Manual, the Code, or such amendment or modification thereof, as the case may be.

Any reference to a time of day and dates in this Offer Information Statement be a reference to Singapore time and dates unless otherwise stated.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

The information on the Company’s website, any website directly or indirectly linked to the Company’s website or any other website, is not incorporated by reference into this Offer Information Statement and should not be relied on.

INDICATIVE TIMETABLE OF KEY EVENTS

The timetable below lists certain important dates and times relating to the Rights Issue. All dates and times referred to below are Singapore dates and times.

Shares trade ex-rights	:	Tuesday, 2 March 2021 from 9:00 a.m.
Record Date	:	Wednesday, 3 March 2021 at 5:00 p.m.
Despatch (or dissemination in accordance with such laws or regulations as may be applicable) of Offer Information Statement (together with the ARE or PAL, as the case may be) and the Notification to the Entitled Shareholders	:	Monday, 8 March 2021
Commencement of trading of “nil-paid” Rights ⁽¹⁾	:	Monday, 8 March 2021 at 9:00 a.m.
Last date and time for splitting Rights ⁽¹⁾	:	Tuesday, 16 March 2021 at 5:00 p.m.
Last date and time for trading of “nil-paid” Rights ⁽¹⁾	:	Tuesday, 16 March 2021 at 5:00 p.m.
Last date and time for acceptance of and payment for Rights Shares ⁽¹⁾	:	Monday, 22 March 2021 at 5:00 p.m. (9.30 p.m. for Electronic Applications via ATMs of Participating Banks)
Last date and time for acceptance of and payment for Rights Shares by renounees ⁽¹⁾	:	Monday, 22 March 2021 at 5:00 p.m. (9.30 p.m. for Electronic Applications via ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Shares ⁽¹⁾	:	Monday, 22 March 2021 at 5:00 p.m. (9.30 p.m. for Electronic Applications via ATMs of Participating Banks)
Expected date for issuance of Rights Shares	:	Monday, 29 March 2021
Expected date for crediting of Rights Shares	:	Tuesday, 30 March 2021
Expected date for refund of unsuccessful applications (if made through CDP)	:	Tuesday, 30 March 2021
Expected date for commencement of trading of Rights Shares	:	Tuesday, 30 March 2021 from 9:00 a.m.

Note:

- (1) This does not apply to CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent. CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent should refer to the section entitled “**Important Notice to (A) CPFIS Members, (B) SRS Investors and (C) Investors who hold Shares through a Finance Company and/or Depository Agent**” of this Offer Information Statement for details relating to the application procedure for them. Any acceptance and/or (if applicable) application made by these investors directly through CDP, Electronic Applications through ATMs of a Participating Bank, the Share Registrar and/or the Company will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective approved banks, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved banks, finance company and/or Depository Agent.

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, in consultation with the Manager and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce the same through an SGXNET announcement to be posted on the internet at the SGX-ST’s website <http://www.sgx.com>.

SUMMARY OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

- Basis of Provisional Allotment** : The Rights Issue is made on a renounceable non-underwritten basis to Entitled Shareholders on the basis of four (4) Rights Shares for every three (3) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.
- Issue Price** : S\$0.091 per Rights Share, payable in full upon acceptance and/or application¹.
- Discount** : The Issue Price represents a discount of approximately:
- (a) 36.4% to the last transacted price of the Shares on the Main Board of the SGX-ST of S\$0.143 per Share on the Last Trading Day;
 - (b) 19.7% to the TERP of S\$0.113 per Share as calculated based on the last transacted price of the Shares on the Main Board of the SGX-ST of S\$0.143 per Share on the Last Trading Day;
 - (c) 37.1% to the volume weighted average price of S\$0.145 per Share, as calculated based on the volume weighted average price of the Shares on the Main Board of the SGX-ST over the five (5) consecutive Market Days leading up to and including the Last Trading Day; and
 - (d) 17.3% to the last transacted price of the Shares on the Main Board of the SGX-ST of S\$0.110 per Share on 26 February 2021, being the Latest Practicable Date.
- The Issue Price and discounts have been determined after taking into account precedent transactions, the transaction size and discussions with the Manager.
- Status of Rights Shares** : The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the Company's 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.
- Number of Rights Shares to be issued** : Based on the issued share capital of the Company comprising 221,933,192 Shares as at the Latest Practicable Date, the Company will issue up to 295,910,922 Rights Shares.

¹ The Undertaking Shareholder's obligation to pay (i) S\$5,660,928.00 payable by the Undertaking Shareholder for his subscription of his *pro rata* entitlement of 62,208,000 Rights Shares and (ii) up to S\$8,748,901.16 payable by the Undertaking Shareholder for his subscription of 96,141,771 Excess Rights Shares allotted to him (subject to availability) shall be set-off against the Outstanding Indebtedness.

SUMMARY OF THE RIGHTS ISSUE

Gross Proceeds from the issue of the Rights Shares : The gross proceeds arising from the allotment and issuance of the Rights Issue will be approximately (a) S\$26.9 million in the Maximum Subscription Scenario, and (b) S\$14.4 million in the Minimum Subscription Scenario.

Use of Proceeds : The net proceeds arising from the Rights Issue in the Maximum Subscription Scenario of approximately S\$26.3 million will be utilised in the following approximate manner:

- (a) Repayment of the Outstanding Indebtedness to the Undertaking Shareholder – S\$14.4 million (54.8%).
- (b) Project development cost for the on-going 2nd mixed-use development project, Royal Platinum, located in Toul Kork – S\$4.6 million (17.6%).
- (c) New project land and development cost for the 3rd mixed-use development project located in Toul Kork – S\$4.6 million (17.6%).
- (d) General working capital – S\$2.6 million (10.0%).

The Outstanding Indebtedness comprises approximately US\$10.7 million of the PHDC Loan drawn down and utilised to fund the purchase of the Land for the 3rd mixed-use development project located in Toul Kork, and for the working capital of PHDC, and accrued interest thereon as at the date of the Set-off Agreement.

In the Minimum Subscription Scenario, the gross proceeds raised will be utilised towards the repayment of the Outstanding Indebtedness. For the avoidance of doubt, the Company will not receive any proceeds from the Rights Issue in the Minimum Subscription Scenario as the subscription monies payable by the Undertaking Shareholder pursuant to the Irrevocable Undertaking will be satisfied by the Set-off.

Please refer to paragraph 3 of the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information**” of this Offer Information Statement, for further information.

Eligibility to participate in the Rights Issue : As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the sections entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” and “**Offering, Selling and Transfer Restrictions**” of this Offer Information Statement, for details on the eligibility of Shareholders to participate in the Rights Issue.

Listing and trading of the Rights Shares : On 28 January 2021, the SGX-ST granted its approval in-principle for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out under

SUMMARY OF THE RIGHTS ISSUE

section entitled “**Trading**” of this Offer Information Statement. The approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Rights, the Rights Shares, the Group and/or the Shares.

Upon the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP’s “*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*”, as the same may be amended from time to time, copies of which are available from CDP.

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) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. 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.

Trading of provisional allotments of Rights Shares : Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST can do so during the trading period for the Rights.

All dealings in and transactions (including transfers) in relation to the provisional allotment of Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP’s “*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*”, as the same may be amended from time to time, copies of which are available from CDP.

Acceptance, excess application and payment : Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be tradeable on the Main Board of the SGX-ST over a period to be determined by the Directors in compliance with the rules of the Listing Manual.

Entitled Shareholders will be at liberty to accept, decline, renounce or, in the case of Entitled Depositors, trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST, in whole or in part, their provisional allotments of the Rights Shares and will be eligible to apply for Rights Shares in excess of their respective provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of the Entitled Shareholders and will together with provisional allotments which are not allotted or taken up for any reason, be

SUMMARY OF THE RIGHTS ISSUE

aggregated and used to satisfy applications, if any, for Excess Rights Shares or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and 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 (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and the allotment of Excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Right Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are set out in Appendices A, B and C of this Offer Information Statement, and in the ARE, the ARS and the PAL.

Use of CPF Funds

- : CPFIS Members can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights and (if applicable) application for Excess Rights Shares.

Such CPFIS Members who wish to accept their Rights and (if applicable) apply for Excess Rights Shares using their CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions of this Offer Information Statement.

In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept their Rights and (if applicable) apply for Excess Rights Shares on their behalf.

CPF Funds cannot, however, be used for the purchase of Rights directly from the market.

Use of SRS Funds

- : SRS Investors can only use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights and (if applicable) application for Excess Rights Shares.

Such SRS Investors who wish to accept their Rights and (if applicable) apply for Excess Rights Shares using their SRS monies will need to instruct their respective SRS Approved Banks with whom they hold their SRS accounts, to accept

SUMMARY OF THE RIGHTS ISSUE

the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in this Offer Information Statement.

SRS Investors who have insufficient funds in their SRS accounts could, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf.

SRS monies cannot, however, be used for the purchase of Rights directly from the market. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Banks for information and directions as to the use of monies standing to the credit of their respective SRS accounts.

Irrevocable Undertaking

: The deed of irrevocable undertaking dated 3 December 2020 provided by the Undertaking Shareholder to the Company, pursuant to which the Undertaking Shareholder agreed to subscribe and pay in full for his *pro rata* entitlement of 62,208,000 Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders) and, subject to availability, 96,141,771 Excess Rights Shares pursuant to the Rights Issue for a total consideration of up to the Maximum Subscription Amount. As a result of the Irrevocable Undertaking, upon completion of the Rights Issue:

- (a) assuming that all of the Shareholders are entitled to and subscribe for their *pro rata* entitlements of Rights Shares, there will be no change to the shareholding of the Undertaking Shareholder of approximately 21.0% before and after the completion of the Rights Issue; and
- (b) the shareholding of the Undertaking Shareholder will increase from approximately 21.0% to approximately 53.9% of the enlarged share capital of the Company after the completion of the Rights Issue in the Minimum Subscription Scenario.

Please refer to paragraph 7 of the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing**” of this Offer Information Statement, for details of the terms of the Irrevocable Undertaking.

Underwriting

: The Rights Issue will not be underwritten.

Please refer to paragraph 1 of the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required For Offer Of Securities Or Securities-Based Derivatives Contracts By Way Of**

SUMMARY OF THE RIGHTS ISSUE

Rights Issue” of this Offer Information Statement, for the reason the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

- Governing Law** : Laws of Singapore.
- Risk Factors** : Investing in the provisional allotments of Rights Shares and the Rights Shares involves risks. Please refer to the section entitled “**Risk Factors**” of this Offer Information Statement.
- Previous Equity Fund Raising** : The Company has not undertaken any equity fund raising in the past 12 months prior to the date of the Original Announcement.

RISK FACTORS

To the best of the Directors' knowledge and belief, the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue are set out below. Prospective investors should carefully consider and evaluate each of the following risks and all other information contained in this Offer Information Statement before making an investment decision. The Group may be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, among others, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations, possibly materially. If any of the following risks and uncertainties develops into actual events, the business, financial conditions or results of operations of the Company and the Group could be materially and adversely affected. In such cases, the trading price of the Rights Shares could decline and a prospective investor may lose all or part of his investment.

*This Offer Information Statement contains forward-looking statements relating to events that involve risks and uncertainties. See the section entitled "**Cautionary Note on Forward-Looking Statements**" of this Offer Information Statement.*

RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS

The Group's revenue and earnings may be volatile

The Group is vulnerable to revenue volatility which is characteristic of property development companies. The amount of revenue to be recognised in a financial year is materially dependent on the number, value and stage of completion of projects undertaken by the Group, which in turn depend on various factors, such as availability of its resources, market sentiment, market competition and general economic conditions.

There can be no assurance that the Group's revenue will remain comparable every year. As a substantial proportion of the Group's revenue is generated by its property development business, market conditions or any other factors that result in the Group undertaking fewer or no new property development projects or any delay in the progress of any of the projects in the Group's portfolio, could have a material and adverse impact on the amount of revenue recognised by the Group in a given year. The historical financial performance and position of the Group may therefore not be indicative of its future performance.

The Group relies on external sources of funding which may not be available on favorable terms or at all

The Group may require additional capital in the future in order to continue growing its business which may not be available on favorable terms or at all.

The Group's ability to grow its business and maintain its market share in the segments in which it operates, through acquisitions of land parcels and undertaking new property development projects, and expansion of the Group's operations and agriculture production capabilities, is dependent on the Group's ability to raise additional funds to implement its business strategy or to refinance its existing debt or for working capital. There is no assurance that such funds will be available on favorable terms or at all. Additional debt financing may increase the Group's financing costs and reduce its profitability.

Although the Group has sufficient credit facilities at present, which are repayable on a fixed repayment schedule, the Group cannot guarantee that its bankers and/or financiers will not recall its facilities and there is no guarantee that the Group is able to refinance or roll-over its borrowings on commercially acceptable terms. In such event, the Group's cash flows and profitability will be adversely affected.

While the Group's interest-bearing loans and borrowings as at the Latest Practicable Date are largely based on fixed interest rates, any significant fluctuation in the prevailing market interest rate could affect the cost of any future loans and borrowings of the Group, which may have an adverse effect on the future profitability of the Group.

RISK FACTORS

Companies with significant exposure to countries with emerging markets, such as Cambodia, in which the Group operates, may be particularly susceptible to disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such, any factors that impact market confidence including a decrease in credit ratings, state or central bank intervention in a market or terrorist activity and conflict, could affect the price or availability of funding for entities within these markets. There is no assurance that there will be continued funding for the Group's entities within these markets or that such lack of funding will not directly or indirectly, materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The industries the Group operates in are highly competitive

The agricultural business is highly competitive with strong competition from established industry participants who may have larger financial resources or stronger track records. The Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and stronger track records. In the event that the Group is unable to be competitive in the relevant country where it's agricultural business operates, the Group's business and financial performance will be adversely affected.

The property development industry in Singapore and Cambodia is highly competitive with a few large established players and many new entrants, each with its own strengths. Some of these players may have significant financial and non-financial resources, as well as market reputations that are more established than the Group. In addition, competition between property developers may result in, among other things, increased costs for the acquisition of land for development, oversupply of properties, a decrease in property prices, a decrease in the rate at which new development properties will be approved or reviewed by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality contractors and qualified employees. Any such consequences may adversely affect the Group's business and operations.

Should the Group fail to compete effectively with other property developers, who were able to secure better locations or develop, market and sell more attractive properties than the Group, its financial performance and profitability may be adversely affected. In the event of an over-supply of properties, property prices may decrease significantly and this may adversely affect the Group's financial performance and profitability.

The Group and its customers, suppliers, vendors and other business partners are affected by external environment risks, including pandemics such as the COVID-19 pandemic

Volatile and uncertain economic conditions have become the new 'normal' for businesses operating in the global marketplace. This is no exception for the Group which operates in the property development, hospitality and agricultural sectors in Singapore and Cambodia. Other external environment risks include those relating to commodity market volatilities; global trade and economy; stability of the global financial and banking systems; foreign exchange fluctuations; political risks; regulatory landscape; and natural disasters and pandemics.

In particular, the outbreak of COVID-19 has spread globally and triggered a global economic contraction, causing disruptions in demand and supply chains. The number of reported COVID-19 cases worldwide and COVID-19 associated deaths have significantly exceeded those observed during the Severe Acute Respiratory Syndrome ("SARS") epidemic that occurred in 2002/2003 and have resulted in a more widespread health crisis than that observed during the SARS epidemic. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic. The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on domestic, regional and global economies remains uncertain. Governments around the world have introduced measures designed to slow the spread of the virus, including strict border controls and travel restrictions and ordering residents to stay at home with a limited range of exceptions.

RISK FACTORS

On 14 May 2020, the Company announced that its 1st mixed-use development project, D'Seaview, had been completed, but that the process of handing over residential and commercial units to overseas buyers was expected to be impacted by the travel restrictions imposed by the Cambodian government to control the COVID-19 pandemic. In addition, the Group may face delays associated with the collection of receivables from its customers as a result of such restrictions or economic slowdown caused by the COVID-19 pandemic which may adversely affect the Group's cash flows.

The COVID-19 outbreak could become even more severe, which may in turn result in protracted volatility in international markets and/or result in a prolonged global economic recession as a consequence of continued widespread disruption to, among others, manufacturing supply chains; imposition of quarantines; and prolonged closures of workplaces. The COVID-19 outbreak may result in reduced business volume and activities across multiple industries.

In addition, since February 2020, the COVID-19 outbreak has caused stock markets worldwide to lose significant value and impacted economic activities worldwide. Uncertainty about the effects of the COVID-19 pandemic has resulted in significant disruption to capital and securities markets, which, if it continues, may adversely affect the Group's ability to raise new capital and refinance its existing debt.

A number of governments (including the Singapore government) revised gross domestic product growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic recession, which may have a material adverse effect on the Group's financial condition and results of operations. While governments (including the Singapore government) have introduced and may introduce further support and relief measures in response to the COVID-19 pandemic, there is no assurance that such support packages will be effective in improving the state of the local and global economies.

Any of the aforementioned factors, if materialised, may have an adverse effect on the Group's operating results, businesses, assets, financial condition, performance and prospects. External environment risks have far-reaching impacts which affect the Group and its customers, suppliers, vendors and other business partners. Whilst there are plans and measures in place to mitigate anticipated adverse consequences, complete protection against such risks is not practicably achievable.

The Group is subject to government regulation in the countries where it operates

Governments of the countries in which the Group operates may also seek to promote a stable and sustainable property market by monitoring the property market and adopting measures as and when they deem necessary. This degree of regulatory scrutiny may result in governments and regulatory authorities introducing new policies, or amending or abolishing existing policies at any time, which may have retroactive effect. For example, Singapore has since 2011 introduced a series of property cooling measures which have had a significant impact on the property market. Other countries in which the Group does business may also implement legislation, regulations, and government policies which could be subject to change depending on the development of the property market in those countries. These changes may have a material and adverse impact on the overall performance of the property markets in which the Group operates and thus affect the Group's business, financial condition, prospects and results of operations.

In addition, property developers and/or building contractors are subject to local laws and regulations relating to workplace health and safety, environmental pollution control and other areas that may concern the industry. There can be no assurance that such regulatory standards will remain unchanged in the future. Should the relevant authorities implement additional and/or more stringent requirements, the Group may have to incur additional expenses and/or devote extra time or effort to comply with such changes. In the event of any non-compliance with such regulatory standards at project sites, the Group's project sites may be subject to temporary suspension or further examinations resulting in project delays. Should such situations arise, the Group's profitability and financial performance may be adversely affected.

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From time to time, the relevant authorities and/or governments of the countries and/or regions in which the Group operates may carry out redevelopment plans or effect zoning changes to particular areas. The supply of land to property developers is also regulated by the relevant authorities and/or governments of these countries, and such land could become the subject of compulsory acquisition. Should such situations arise, the Group may incur an increase in management expenses or unforeseen capital expenditure in order to ensure compliance which may in turn adversely affect the Group's profitability and financial performance.

The Group may not be able to complete its development projects within budgeted project costs or on time or at all

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take a year or longer before generating positive net cash flow through sales or pre-sales. As a result, the Group's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. The schedules of the Group's projects depend on a number of factors, including the performance and efficiency of its third-party contractors and its ability to finance construction. Other factors that could adversely affect the Group's project development schedules include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- delays in obtaining government approvals and permits;
- changes in relevant regulations and government policies;
- shortages of materials, equipment, contractors and skilled labour;
- construction accidents;
- errors in judgment on the selection and acquisition criteria for potential sites; and
- other unforeseen problems or circumstances.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm the Group's reputation as a property developer or lead to cost overruns, or loss of or delay in recognising revenues, and subsequently, lower margins. While the Group has entered into agreements with the main contractor for its current property development projects, which contain provisions such as liquidated damages protecting the Group from the effects of construction delays and factors such as fluctuating costs of construction materials, equipment, and skilled and unskilled labour, these factors could adversely and materially affect the Group in the event the main contractor is unable to make good on liquidated damages chargeable by the Group or if the main contractor is unable to continue financing the construction. This may also result in sales and resulting profits from a particular development not being recognised in the year in which it was originally expected to be recognised, which could adversely affect the Group's results of operations for that year. There can be no assurance that the Group will not experience any significant delays in completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

Growth and expansion of the Group's business is dependent on its ability to identify new land sites and projects for development

The Group is required to constantly identify land sites for its property development business to maintain the growth of its business. The Group usually replenishes and sources for new plots of land by acquiring plots of land from private owners as well as sourcing for suitable development sites through external

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property agents. There is no certainty that the actual demand for the Group's projects in the future will meet expectations. If the Group fails to achieve its business objectives or sales targets, there will be an adverse effect on its profitability.

The Group's performance is also dependent on its ability to identify property development projects with good potential returns and by completing its projects within a scheduled time frame to realise such returns. This is dependent on the Group's understanding of the operational environment and anticipation of future market conditions. Hence, the viability and profitability of the Group's property development projects may be affected by factors such as unexpected project delays, changes in interest rates, construction costs, land costs and market conditions. Accordingly, there is no assurance that the Group will be consistently successful in identifying profitable property development projects, and in completing and launching such projects under the best possible market conditions as planned. There is also no assurance that a project, which may be assessed to be profitable at the initial phases, will not turn out to be a loss-making asset or investment of the Group due to changes in circumstances not within the Group's control. Should the Group fail to identify suitable projects and complete them profitably or within a reasonable time, its profitability and financial performance will be adversely affected.

The Group may be adversely affected if it fails to obtain, or if there are material delays in obtaining, requisite governmental approvals for its land acquisitions and property development projects

The property development industry in the countries in which the Group operates are governed by laws and regulations which have been implemented to regulate and protect individual consumers as well as to establish the minimum standard for the property development and construction industry. Real estate developers must comply with various requirements mandated by applicable laws and regulations, including the policies and procedures established by local authorities designed for the implementation of such laws and regulations. In order to develop and complete a property development project, a property developer must obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including land use rights documents, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions.

There can be no assurance that the Group will not encounter problems in obtaining governmental approvals for new acquisitions of land or in fulfilling the conditions required for obtaining such approvals, or that it will be able to adapt to, and comply with, all new laws, regulations or policies that may come into effect from time to time with respect to the real estate industry or the particular processes with respect to the granting of approvals in the countries in which it operates. If the Group fails to obtain the relevant approvals on time or at all, or to fulfil the conditions of those approvals for a significant number of its property developments, and these property developments do not proceed on schedule, its business, financial condition, results of operations and prospects may be adversely affected.

The Group relies on key management personnel, and the Group's business may be adversely affected by any inability to recruit, train, retain and motivate key employees

The Group believes that its management team contributes significant experience and expertise to the management and growth of the Group's business. The continued success of the Group's business and the Group's ability to execute its business strategies in the future will depend in large part on the efforts of the Group's key personnel. The loss of any key management staff, and with them any such experience, knowledge, business relationships and expertise, for any reason, without suitable and timely replacement, and the inability to attract, train and retain qualified and experienced management personnel may lead to the loss or deterioration of important business relations as well as the management's ability to implement plans and maintain operational effectiveness. This may in turn have an adverse impact on the Group's operations, thereby adversely affecting the Group's financial position and profitability.

The agricultural industry is susceptible to commodity and raw material price changes

Prices for agricultural commodities, including cassava starch, are often volatile and sensitive to local and international changes in supply and demand caused by a variety of factors, including general economic conditions, farmer planting and selling decisions, government agriculture programs and policies, global and local inventory levels, weather and crop conditions, food safety concerns, government regulations,

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and demand for and supply of, competing commodities and substitutes. As a result, the Group may not be able to anticipate or react to changing costs by adjusting its practices, which could cause the Group's operating results to deteriorate. The Group does not engage in hedging or speculative financial transactions nor do we hold or issue financial instruments for trading purposes.

Sales of the Group's agricultural products may also be adversely affected by fluctuations in the prices of agricultural commodities and agricultural inputs, such as fertiliser, energy, labor and water, in each case caused by market factors beyond the Group's control. Changes in the prices of raw materials used in growing the Group's crops could result in higher overall costs along the agricultural supply chain. Depending on the nature of such price changes, the cultivation of the Group's cassava crops could be impacted to a greater extent than others. In the event that we are unable to pass on any increase in overall costs to our customers, it may adversely affect the Group's financial performance.

The Group is exposed to foreign currency risks

The Group's functional currency for its operations in Cambodia is denominated in United States Dollar, while its reporting currency is denominated in Singapore Dollar. The Group is thus exposed to currency translation risk arising from the exposure of its net financial assets denominated in United States Dollar. As a consequence, there is a risk that changes in exchange rates could have a material negative effect on the reported results of the Group.

Currently, the Group does not hedge against the foreign currency exposure as the cash flows from purchases partially offset the cash flows from sales transactions and the time between the date of settlement and the date of collections are relatively short. The Group's net investments in Cambodia are not hedged as currency positions in United States Dollar are considered to be long-term in nature. The remaining exposure is not considered by management to be significant.

In order to mitigate foreign exchange risk, the Group has implemented policies and guidelines to facilitate the management of the foreign exchange risk. Whenever practicable, the Group will endeavour to match the currency of sales and purchases to mitigate the net exposure and also to reduce excess foreign currency held by utilising bank facilities to bridge the short-term foreign currency needs due to the short-term gap between receivables and payables. The choice of invoicing currency will be made such that the Group's total currency exposure is mitigated. However, there is no assurance that the Group will be able to entirely eliminate foreign currency exposure risks through such arrangements, which in turn could affect the Group's business, financial condition, operating results and prospects.

The Group may be involved in legal and other proceedings arising from its operations from time to time

The Group may be involved from time to time in disputes with various parties involved in the projects that the Group undertakes. These parties include customers, sub-contractors, suppliers, employees, purchasers, other partners or contractual counterparties who may have claims in relation to, for instance, delays and defective works. These disputes may lead to legal and other proceedings. The Group may also have disagreements with regulatory bodies in the countries that it operates in and these may subject it to administrative proceedings. In the event that unfavourable decrees are determined by the courts or the regulatory bodies, the Group may suffer not only financial losses but also a delay in the completion of its projects.

Further, the Group's financial performance and profitability will be adversely affected if the Group has to pay a significant amount of compensation or spend a significant amount of resources on legal costs in the event of legal proceedings. The Group's reputation may also be adversely affected as a result of such proceedings.

The Company is subject to the general risk of doing business overseas

There are general risks inherent in doing business overseas. These general risks include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local

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law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group. These risks, if materialised, may affect the Group's business and financial condition. In addition, if the governments in the jurisdictions which the Group operates tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currency, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the business and financial performance of the Group will be adversely affected.

Working relationships with and cooperation from government entities and joint venture partners

The Group will seek to work in cooperation with the government authorities and their related entities of the respective countries. There is however no guarantee that the Group will manage to build good constructive working relationships with the aforementioned parties. Even if the Group manages to establish good constructive working relationships with all of the governmental authorities relevant to the Group's business, its business, financial condition and results of operations could be adversely affected if the Group is unable to maintain the relationships with those government authorities. The Group's business and financial performance could also be materially adversely affected if the government officials which the Group has relationships with are replaced or removed from their posts.

As a matter of business strategy, the Group may also from time to time enter into joint ventures. These joint ventures involve a certain amount of business risks such as the ability of the Group to build good constructive working relationships with joint venture partners, or the inability or unwillingness of joint venture partners to fulfil their obligations. There is no assurance that we will not, in the future, encounter such business risks which may have an adverse effect on the business and financial performance of the Group.

The Group is subject to changes in economic situation of the countries in which the Group does business

The performance of the Group depends largely on the economic situation and the performance of the agricultural and property industries and there is no assurance that the agricultural and/or property sectors of countries in which the Group operates will continue to grow. Should the economy or the market experience a downturn, whether globally or in any country in which the Group operates, the performance of these segments may be adversely affected. In particular, as the gestation period for a property development project is long, typically between two (2) to three (3) years, any downturn in the economy or the property market during the course of a development project may affect the profitability of such development project, thereby adversely affecting the Group's business and financial performance.

Changes in the business environment for jurisdictions in which the Group operates may include delays in procuring the necessary relevant approvals, licences or certificates from government bodies, changes in laws, regulations and policies in relation to property development, fluctuations in demand for properties, delays in construction schedules due to poor weather conditions, labour disputes and fluctuation in costs of construction materials and other costs of development. Such delays may result in the Group incurring additional costs such as liquidated damages, thus affecting the business and financial performance of the Group.

The Group is subject to openness to and restrictions upon foreign investments in Cambodia, and regulatory framework and incentives in Cambodia

While Cambodia has a fairly open and liberal foreign investment regime, there is no assurance that the laws and/or policies of the Cambodian government will not change and that the Group will be able to compete effectively with its Cambodian or other foreign competitors. In the event that the Group is not able to compete effectively against its competitors as a result of such changes, there may be an adverse effect on the Group's revenue and profitability.

The Group is subject to policies implemented by the Cambodian government to encourage foreign private enterprise economic development in Cambodia, including the granting of plantation land rights to private companies and the provision of financing from Cambodia government-owned banks. There is no assurance that the Cambodian government's policies or its laws will not change for the worse against foreign investments in the country's real estate sector. Any changes in the Cambodian government or in the Cambodian government's policies may have a material adverse effect on the Group's business.

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The Group is subject to uncertainties in the Cambodian legal system

The Group's operations in Cambodia are subject to the laws and regulations of Cambodia. Such laws and regulations may be supplemented or otherwise modified by undocumented practices. Such practices may not have been ruled upon by the courts or enacted by legislative bodies and they may be subject to change without notice. There may also be limited precedents on the interpretation, implementation or enforcement of the laws and regulations of Cambodia. Therefore, some degree of uncertainty exists in connection with the application of existing laws and regulations to certain transactions and circumstances. As Cambodia is still in the process of developing a comprehensive set of laws and regulations, laws and regulations or the interpretation of the same may be subject to change on potentially short notice.

In addition, Cambodia has adopted a civil law legal system, which is different from the common law legal system that Singapore adopts. As such, governmental policies may play an overriding role in the implementation of the laws. Furthermore, the administration of laws and regulations in certain countries may be subject to a certain degree of discretion by the executive authorities.

The Group is subject to the regulations of dispute settlement in Cambodia

Foreign investors are generally reluctant to resort to the Cambodian judicial system to resolve commercial disputes because of perceptions of inconsistent judicial rulings and difficulty enforcing court judgments. Due to the foregoing, and the general lack of familiarity and experience with Cambodian laws, it may be difficult for the Group to pursue their legal rights over any party in a Cambodian court of law over any legal disputes arising from that country.

Limited accessibility of publicly available information and statistics

Under the current business environment in Cambodia, it may be difficult to obtain up-to-date information and statistics on other businesses in Cambodia that may be comparable to the Group in terms of, among others, business activities, geographical spread, track record, operating and financial leverage, liquidity, quality of earnings and accounting, economic outlook, growth statistics and other relevant data. As such it may be difficult to gauge the performance of the Group's business in Cambodia which may lead to inefficient pricing of the Group's services and products due to incomplete market information. This may adversely affect the Group's business and financial performance.

The Group is affected by political, terrorist and other risks in countries where it operates

Wars, unsettled political conditions, social unrest, riots, terrorist attacks and government actions such as possible seizure of properties in countries where the Group currently operates or may in the future operate, may affect its ability to provide products and services for its customers in such countries. Such developments may also affect the ability of the Group's customers to meet their payment obligations to the Group and increase insurance premiums for the Group's operations. If such risks develop into actual events, the Group's operations and profitability may be adversely affected.

Terrorist activities, anti-terrorist efforts, piracy or other armed conflict may adversely affect the country and global economies. If events of this nature occur and persist, the associated political instability and societal disruption could reduce overall demand for the Group's projects and adversely affect the business and financial performance of the Group. The Group's business and financial performance could be adversely affected if any infrastructure or property integral to its operations is destroyed or damaged by such an attack. Insurance coverage may become more difficult to obtain, if available at all.

RISKS RELATING TO AN INVESTMENT IN THE RIGHTS SHARES AND THE SHARES

Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company

In the event that Entitled Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced and such Shareholders will have their shareholdings in the Company diluted after completion of the Rights Issue due to the issuance

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of new Shares. They may also experience a dilution in the value of their Shares. Even if an Entitled Shareholder sells his provisional allotment of Rights Shares, or such provisional allotment of Rights Shares are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

The price of the Shares may be volatile, which could result in substantial losses for investors subscribing for the Rights Shares

The trading price of the Shares could be subject to fluctuations in response to variations in the Group's results of operations, changes in general economic conditions, changes in accounting principles or other developments affecting the Group, its involvement in litigation, additions or departures in key personnel, any announcements by the Group of corporate developments, changes in financial estimates by securities analysts, the operating and stock price performance of other companies and other events or factors, many of which are beyond the Group's control.

Any of these events could result in a decline in the market price of the Shares during and after the Rights Issue. There is no assurance that the market price of the Rights Shares, upon or subsequent to the Rights Issue, will remain at or above the Issue Price, or that the Rights Shares can be disposed of at or above the Issue Price. In addition, notwithstanding that the current intention is for the Shares to remain listed on the SGX-ST, there is no guarantee of the continued listing of the Shares.

The Rights Issue may cause the price of the Shares to immediately decrease, and this decrease may continue and the Issue Price is not an indication of the underlying value of the Shares

The Issue Price represents a discount of approximately (i) 36.4% to the last transacted price of the Shares on the Main Board of the SGX-ST of S\$0.143 per Share on the Last Trading Day; (ii) 19.7% to the TERP of S\$0.113 per Share as calculated based on the last transacted price of the Shares on the Main Board of the SGX-ST of S\$0.143 per Share on the Last Trading Day; (iii) 37.1% to the volume weighted average price of S\$0.145 per Share, as calculated based on the volume weighted average price of the Shares on the Main Board of the SGX-ST over the five (5) consecutive Market Days leading up to and including the Last Trading Day; and (iv) 17.3% to the last transacted price of the Shares on the Main Board of the SGX-ST of S\$0.110 per Share on 26 February 2021, being the Latest Practicable Date.

The discount of the Rights Shares, along with the number of Rights Shares, may result in an immediate decrease in the market value of the Shares. The Issue Price does not bear a direct relationship to the book value of the Group's assets, past operations, cash flow, earnings, financial condition or other established criteria for value. Hence, the Issue Price is not a direct indicator of any underlying value of Shares or of the future performance of the Company or the trading price of the Shares. This decrease in market value may continue after the completion of the Rights Issue.

There is no assurance that an active market for the Shares will develop after the Rights Issue

There is no assurance that the market price for the Rights Shares will not decline below the Issue Price after the Rights Issue. Shareholders should note that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they will be able to acquire such number of Rights Shares to make up one board lot of 100 Rights Shares or to dispose of their odd lots (whether in part or whole) on the SGX-ST. Further, Entitled Shareholders who hold odd lots of less than 100 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Rights Shares.

An active market may not develop for the "nil-paid" Rights entitlements during the provisional allotment period prescribed by the SGX-ST

There is no assurance that an active trading market for the "nil-paid" Rights on the SGX-ST will develop during the trading period or that any over-the-counter trading market for the "nil-paid" rights will develop. Even if an active market develops, the trading price of the "nil-paid" Rights, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to

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participate in the Rights Issue. The “nil-paid” Rights which would otherwise be provisionally allotted to Foreign Shareholders, may be sold by the Company, which could affect the trading price of the “nil-paid” Rights.

Investors may experience future dilution in the value of their Shares

The Company may need to raise additional funds in the future to finance the repayment of facilities, business expansion and/or acquisitions and/or investments. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may also be reduced and existing Shareholders may also experience dilution in the value of their Shares.

Any future sale of Shares by the Substantial Shareholder and/or Directors in the public market can have a downward pressure on the price of the Shares

The sale of a significant amount of Shares by the Substantial Shareholder and/or Directors in the public market, or the perception that such sales may occur could materially and adversely affect the market price of its Shares. These factors could also affect the Group’s ability to issue additional equity securities in the future.

The liquidity of the Shares may not change or improve

Active and liquid trading of securities generally result in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, amongst others, the size of the free float, the price of each board lot, institutional interest, and the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on the SGX-ST may change or improve after the Rights Issue.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive the Notification, together with the ARE or the PAL, as the case may be, at their respective Singapore addresses. Printed copies of this Offer Information Statement will not be despatched to Entitled Shareholders, but may be accessed at the Company's website at the URL <https://honglaihuategroup.com/announcements-press-release/>, and is also available on the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>.

Entitled Depositors who do not receive the ARE may obtain them from CDP during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the PAL may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the Rights trading period prescribed by the SGX-ST) their Rights and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold Rights of Foreign Shareholders and any Rights Shares that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the ARE, the PAL and (if applicable) the Constitution, be aggregated and used to satisfy Excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and 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 (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

All dealings in and transactions of the Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A, B and C to this Offer Information Statement and in the ARE, the ARS and the PAL.

Entitled Scripholders and their renounees will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

Entitled Depositors should note that all notices and documents will be sent to their last registered addresses with CDP as at the Record Date.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of Rights to any Securities Account, the receipt of any Rights, or receipt of this Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be restricted or prohibited. The Company reserves absolute discretion in determining whether any person may

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

participate in the Rights Issue. Investors are cautioned to note the offering, selling and transfer restrictions set forth in the section entitled “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.

Foreign Shareholders

This Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution (or dissemination in accordance with applicable laws or regulations) of the Notification, this Offer Information Statement and its accompanying documents, and the purchase, exercise of or subscription for Rights and/or the Rights Shares by any persons who have registered addresses outside Singapore, or who are resident in, or citizens of countries other than Singapore, may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Notification, this Offer Information Statement and its accompanying documents will not be despatched or disseminated to Foreign Shareholders.

Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotments of Rights Shares will be made to Foreign Shareholders and no purported acceptance of the provisional allotments of Rights Shares or applications for Excess Rights Shares by Foreign Shareholders will be valid.

The Notification, this Offer Information Statement and its accompanying documents relating to the Rights Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore. It is also the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore who wishes to take up their provisional allotment of Rights Shares and (if applicable), apply for Excess Rights Shares under the Rights Issue to satisfy himself as to the full observance of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes in such territories. The comments set out in this section are intended as a general guide only and any Foreign Shareholder who is in doubt as to his position should consult his professional advisers without delay. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him.

Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

The Company reserves the right to reject any acceptances of the provisional allotments of the Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

The Company further reserves the right to treat as invalid any ARE, ARS or PAL or decline to register such application or purported application which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes may violate any applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation, warranty or confirmation.

Foreign Shareholders who wish to be eligible to participate in the Rights Issue may provide a Singapore address by notifying in writing, as the case may be, to (a) CDP at 11 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138589; or (b) the Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, no later than three (3) Market Days before the Record Date.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the Rights, which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in the Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Record Date and sent to them **AT THEIR OWN RISK** by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, CDP or the Share Registrar or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares are sold on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, CDP or the Share Registrar or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such Rights cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights and/or the Rights Shares represented by such Rights will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and 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 or the Share Registrar and their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto at their own expenses and without liability to the Company. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

OFFERING, SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken to permit a public offering of the Rights or the Rights Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to the Company, the Rights or the Rights Shares in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the MAS. Accordingly, the Rights or the Rights Shares may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents or any offering materials or advertisements in connection with the Rights or the Rights Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their professional advisers prior to accepting any Rights, applying for Excess Rights Shares or making any offer, sale, resale, pledge or other transfer of the Rights or the Rights Shares.

This Offer Information Statement and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

General

The distribution (or dissemination in accordance with applicable laws or regulations) of the Notification, this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe such prohibitions and restrictions. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares or purchase any Rights unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

The Company and the Manager have not taken any action, nor will the Company and the Manager take any action, in any jurisdiction other than Singapore that would permit a public offering of the Rights or the Rights Shares, or the possession, circulation or distribution of this Offer Information Statement or any other material relating to the Company, the Rights or the Rights Shares in any jurisdiction other than Singapore where action for that purpose is required.

Accordingly, each purchaser of Rights and/or Rights Shares may not offer or sell, directly or indirectly, any Rights Shares or Rights and may not distribute or publish this Offer Information Statement or any other offering material or advertisements in connection with the Rights or the Rights Shares in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

TRADING

Listing of and Quotation for the Rights Shares

On 28 January 2021, the SGX-ST granted approval in-principle for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to the following conditions:

- (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 has provided the written undertakings referred to in sub-paragraphs (c) and (d) above to the SGX-ST.

The approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Rights, the Rights Shares, the Group and/or the Shares.

Upon the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*", as the same may be amended from time to time. Copies of the above are available from CDP.

Share Certificates and Arrangements for Scripless Trading

Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, must open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("**NRIC**")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. If an Entitled Scripholder's address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

TRADING

A holder of physical share certificate(s) or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP (including any applicable fees), and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

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) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. 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.

TAKE-OVER LIMITS

The Company wishes to draw to the attention of Shareholders that the allotment of Rights Shares to a Shareholder pursuant to his application for Excess Rights Shares may cause such Shareholder to reach or exceed the applicable shareholding limits referred to below. Shareholders who are in doubt as to the actions they should take should consult their legal, financial, tax or other professional adviser immediately. The Directors reserve the right not to allot any Rights Shares where such allotment will be in breach of the shareholding limits referred to below or otherwise as required by any relevant legal and regulatory authorities.

The Code

The Code regulates the acquisition of ordinary shares of, amongst others, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the SIC, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer, in accordance with the provisions of the Code, immediately to the holders of any class of share capital of the Company which carries votes and in which such person, or persons acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the SIC and/or their legal, financial, tax or other professional adviser.

General Offer Requirement under the Code

Based on the Existing Share Capital and assuming (a) none of the Entitled Shareholders (excluding the Undertaking Shareholder) subscribe for their *pro rata* entitlements of Rights Shares, (b) only the Undertaking Shareholder subscribes for his *pro rata* entitlement of 62,208,000 Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders), and (c) the Undertaking Shareholder subscribes for 96,141,771 Excess Rights Shares in addition to his *pro rata* entitlement, pursuant to the Irrevocable Undertaking, the shareholding of the Undertaking Shareholder will increase from approximately 21.0% to approximately 53.9% of the enlarged share capital of the Company comprising 380,282,963 Shares after the completion of the Rights Issue.

Based on the Existing Share Capital and assuming (a) none of the Entitled Shareholders (excluding the Concert Party Group) subscribe for their *pro rata* entitlements of Rights Shares, (b) only the Concert Party Group subscribes for their *pro rata* entitlement of 79,928,048 Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders), and (c) the Undertaking Shareholder subscribes for 96,141,771 Excess Rights Shares in addition to his *pro rata* entitlement, pursuant to the Irrevocable Undertaking, the shareholding of the Concert Party Group will increase from approximately 27.0% as at the Latest Practicable Date to approximately 59.3% of the enlarged share capital of the Company comprising 398,003,011 Shares after the completion of the Rights Issue.

TAKE-OVER LIMITS

For illustrative purposes only, the maximum shareholding scenario of the Concert Party Group pursuant to the Rights Issue mentioned in this section is set out below:

Shareholder	← Before the Rights Issue →			← After the Rights Issue →			
	No. of Shares	(%) ⁽⁴⁾	Rights Shares entitlements	No. of Rights Shares subscribed for ⁽⁶⁾	No. of Excess Rights Shares subscribed for ⁽⁶⁾	No. of Shares	(%) ⁽⁷⁾
The Undertaking Shareholder ⁽¹⁾	46,656,000 ⁽²⁾	21.0	62,208,000	62,208,000	96,141,771	205,005,771	51.5
Ong Jia Ming	8,828,471	4.0	11,771,294	11,771,294	–	20,599,765	5.2
Ong Jia Jing	4,457,500 ⁽³⁾	2.0	5,943,333	5,943,333	–	10,400,833	2.6
Ms. Lau	4,066	n.m. ⁽⁵⁾	5,421	5,421	–	9,487	n.m. ⁽⁵⁾
Concert Party Group	59,946,037	27.0	79,928,048	79,928,048	96,141,771	236,015,856	59.3
Other Shareholders	161,987,155	73.0	215,982,873	–	–	161,987,155	40.7
Total	221,933,192	100.0	295,910,922⁽⁸⁾	79,928,048	96,141,771	398,003,011	100.0

Notes:

- (1) Pursuant to Section 133(4) of the SFA, the Undertaking Shareholder is deemed to have an interest in 4,066 Shares held his spouse, Ms. Lau.
- (2) This includes 30,000,000 Shares held by Haitong International Securities (Singapore) Pte. Ltd. (“**Haitong**”) that the Undertaking Shareholder is treated as having an interest in pursuant to Section 4 of the SFA. Phillip Securities Pte. Ltd. is the sub-custodian for Haitong’s holding of 30,000,000 Shares on behalf of the Undertaking Shareholder.
- (3) Pursuant to Section 4 of the SFA, Ong Jia Jing is treated as having an interest in 4,457,500 Shares held by Hong Leong Nominees Pte. Ltd..
- (4) Based on the Existing Share Capital comprising 221,933,192 Shares.
- (5) n.m. denotes not meaningful.
- (6) Based on the Existing Share Capital and assuming: (a) none of the Entitled Shareholders (excluding the Concert Party Group) subscribe for their *pro rata* entitlements of Rights Shares; (b) only the Concert Party Group subscribe for their *pro rata* entitlement of 79,928,048 Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders); and (c) the Undertaking Shareholder subscribes for 96,141,771 Excess Rights Shares in addition to his *pro rata* entitlement, pursuant to the Irrevocable Undertaking.
- (7) Based on the enlarged share capital of the Company comprising 398,003,011 Shares assuming: (a) none of the Entitled Shareholders (excluding the Concert Party Group) subscribe for their *pro rata* entitlements of Rights Shares; (b) only the Concert Party Group subscribe for their *pro rata* entitlement of 79,928,048 Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders); and (c) the Undertaking Shareholder subscribes for 96,141,771 Excess Rights Shares in addition to his *pro rata* entitlement, pursuant to the Irrevocable Undertaking.
- (8) Figures in the table above are rounded down and does not add up to 295,910,922 Rights Shares.

Minimum Subscription Scenario

Based on the Existing Share Capital and assuming (a) the Whitewash Resolution is approved, (b) none of the Entitled Shareholders (excluding the Undertaking Shareholder) subscribe for their *pro rata* entitlements of Rights Shares, and (c) only the Undertaking Shareholder subscribes for his *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 in addition to his *pro rata* entitlement, up to 158,349,771 Rights Shares will be issued under the Rights Issue (the “**Minimum Subscription Scenario**”).

TAKE-OVER LIMITS

Maximum Subscription Scenario

Based on the Existing Share Capital, if the allotment ratio of the Rights Issue is directly applied to the Existing Share Capital and assuming all the Rights Shares are subscribed, 295,910,922 Rights Shares will be issued under the Rights Issue (the “**Maximum Subscription Scenario**”).

Whitewash Waiver

As the Concert Party Group may potentially acquire 30.0% or more of the voting rights of the Company as a result of the Rights Issue, the Company has sought and obtained a ruling from the SIC on 24 November 2020 that the Concert Party Group will be exempted from the requirement to make a general offer for all the Shares under Rule 14 of the Code in the event that their aggregate voting rights in the Company increases to 30.0% or more as result of the Rights Issue (the “**Whitewash Waiver**”), subject to the following conditions being satisfied (collectively, the “**SIC Conditions**”):

- (a) a majority of holders of voting rights of the Company approving at the EGM, before the issue of the Rights Shares and any Excess Rights Shares, a resolution (the “**Whitewash Resolution**”) by way of poll to waive their rights to receive a general offer from the Concert Party Group;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Concert Party Group and their concert parties as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) the Concert Party Group and their concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Offer Information Statement):
 - (i) during the period between the date of the Original Announcement and the date Independent Shareholders’ approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the date of the Original Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights Issue;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
 - (i) details of the Rights Issue, including the Irrevocable Undertaking;
 - (ii) the dilution effect to existing holders of voting rights of the Company of issuing the Rights Shares and Excess Rights Shares under the Irrevocable Undertaking to the Concert Party Group;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares in the Company held by the Concert Party Group as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be issued to the Concert Party Group as a result of the Rights Issue and Irrevocable Undertaking;
 - (v) specific and prominent reference to the fact that the Rights Issue could result in the Concert Party Group holding Shares carrying over 49% of the voting rights of the Company and that the Concert Party Group and their concert parties will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer; and

TAKE-OVER LIMITS

- (vi) specific and prominent reference to the fact that Independent Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Concert Party Group at the highest price paid by the Concert Party Group and their concert parties for the Shares in the six (6) months preceding the date of the Original Announcement;
- (g) the Circular stating that the Whitewash Waiver granted by the SIC is subject to the conditions stated in sub-paragraphs (a) to (f) above;
- (h) the Company obtaining the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within three (3) months of the date of the Whitewash Waiver and the acquisition of the Rights Shares and any Excess Rights Shares by the Concert Party Group must be completed within three (3) months of the approval of the Whitewash Resolution.

As at the Latest Practicable Date, save for the condition set out in sub-paragraph (i) above, all the other SIC Conditions have been satisfied. Depending on the level of subscription for the Rights Shares, the Company will, if necessary and upon approval of SGX-ST, scale down a Shareholder's application to subscribe for the Rights Issue to avoid placing the relevant Shareholder and parties acting in concert with it in the position of incurring a mandatory take-over bid obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlements fully. For the avoidance of doubt, the Company will not apply this right to scale down the Undertaking Shareholder's application to subscribe for Rights Shares or Excess Rights Shares if the Whitewash Resolution is approved.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the SIC and/or their professional advisers immediately.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART 2 – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. **Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.**

Names of Directors	Addresses
Dato' Dr. Ong Bee Huat	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Dr. Wang Kai Yuen	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Prof. Wong Wen-Young, Winston	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Dr. Wong Jr. Winston (Alternate Director to Prof. Wong Wen-Young, Winston)	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Mr. Ong Jia Ming	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Mr. Ong Jia Jing	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Dr. Chen Seow Phun, John	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Dr. Lee Kuo Chuen, David	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Mr. Lien We King	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531
Ms. Kohe Noor Binte Mahmoodul Hasan	c/o 1 Gateway Drive, #20-12/13 Westgate Tower Singapore 608531

Advisers

2. **Provide the names and addresses of –**
- (a) **the issue manager to the offer, if any;**

Name of Manager	Address
SAC Capital Private Limited	1 Robinson Road, #21-00 AIA Tower Singapore 048542

- (b) **the underwriter to the offer, if any; and**

Not applicable. The Rights Issue is not underwritten by any financial institution.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

(c) the legal adviser for or in relation to the offer, if any.

**Legal Adviser to the Company
as to Singapore law**

Address

Gibson, Dunn & Crutcher LLP

One Raffles Quay Level #37-01 North Tower
Singapore 048583

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.

Share Registrar

Address

B.A.C.S. Private Limited

8 Robinson Road #03-00 ASO Building
Singapore 048544

Receiving Bank for the Rights Issue

Address

RHB Bank Berhad (Singapore Branch)

90 Cecil Street RHB Bank Building #04-00
Singapore 069531

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART 3 – OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. **For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.**

Renounceable non-underwritten Rights Issue of up to 295,910,922 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 Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Method and Timetable

2. **Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to –**
- (a) **the offer procedure; and**
 - (b) **where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

Please refer to paragraphs 3 to 7 of this Part below.

3. **State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.**

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A, B and C to this Offer Information Statement and in the ARE, the ARS and the PAL.

It is not anticipated that the period for which the Rights Issue will be kept open will be extended or shortened. An announcement will be made via SGXNET if there are any such changes.

As at the date of this Offer Information Statement, the Company does not expect the timetable set out in the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may, in consultation with the Manager and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce the same through an SGXNET announcement to be posted on the internet at the SGX-ST’s website <https://www.sgx.com>.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

4. **State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Rights Shares are payable in full upon acceptance and/or application. Details of the methods of payment for the Rights Shares are contained in Appendices A, B and C to this Offer Information Statement and the ARE, ARS and PAL.

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, Excess Rights Shares.

5. **State, where applicable, the methods of and time limits for –**
- (a) **the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) **the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**

The Rights Shares will be provisionally allotted to Entitled Shareholders by crediting the Rights to Entitled Depositors so that the Rights are available for trading on or around 8 March 2021 or through the despatch (or dissemination in accordance with such laws or regulations as may be applicable) of the PALs to Entitled Scripholders, based on their respective shareholdings in the Company as at the Record Date.

In the case of Entitled Scripholders and their renounees with valid acceptances of and/or successful applications for Excess Rights Shares and who have, amongst others, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, share certificates representing such number of Rights Shares will be despatched to the relevant subscribers by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained in the records of the Share Registrar, within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL) with valid acceptances of and/or successful applications for Excess Rights Shares, share certificate(s) representing such number of Rights Shares will be registered in the name of CDP or its nominee and despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Shares that have been credited to their Securities Accounts.

Please refer to Appendices A, B and C to this Offer Information Statement and the ARE, ARS and PAL for further details.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

6. **In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Save for the Rights Issue, none of the Shareholders have pre-emptive rights to subscribe for the Rights Shares. Please refer to Appendices A, B and C to this Offer Information Statement and the ARE, the ARS and the PAL for details on the procedure for the acceptance of the Rights, application for Excess Rights Shares, trading of the Rights on the SGX-ST and the treatment of the Rights which are not accepted.

7. **Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

Results of the Rights Issue

As soon as practicable after the Closing Date, the Company will announce the results of the allotment or the allocation of the Rights Shares through an SGXNET announcement to be posted on the internet at the SGX-ST's website at <https://www.sgx.com>.

Manner of Refund

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 with 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.

Please refer to Appendices A, B and C to this Offer Information Statement and the ARE, the ARS and the PAL for further details of refunding excess amounts paid by applicants.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART 4 – KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to paragraphs 2 to 7 of this Part below.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

The estimated net proceeds from the Rights Issue (after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$0.6 million) are expected to be approximately S\$26.3 million in the Maximum Subscription Scenario and approximately S\$13.8 million in the Minimum Subscription Scenario. The Company will not receive any proceeds from the Rights Issue under the Minimum Subscription Scenario. Please refer to paragraph 3 of this Part below.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.

Maximum Subscription Scenario

Assuming the Maximum Subscription Scenario, the net proceeds from the Rights Issue, after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$0.6 million, is approximately S\$26.3 million. The original allocation of the use of proceeds from the Rights Issue announced by the Company in the Original Announcement, assuming the Maximum Subscription Scenario, is as follows:

Use of net proceeds	Percentage allocation in the Original Announcement (%)	Estimated amount (S\$' million)
Project development cost for on-going 2nd mixed-use development project, Royal Platinum, located in Toul Kork	30.0	7.9
New project land and development cost for the 3rd mixed-use development project located in Toul Kork	30.0	7.9
Partial repayment of existing bank borrowings	30.0	7.9
General working capital	10.0	2.6
Net proceeds	100.0	26.3

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

It has always been the intention of the Company to repay the PHDC Loan out of the proceeds of the Rights Issue. The Company released the Supplemental Announcement to clarify that a certain amount of proceeds in the Maximum Subscription Scenario, which had initially been presented on a “see-through” basis for the 3rd mixed-use development project, would go directly towards repayment of the Outstanding Indebtedness. At the same time, the Company had also reallocated a portion of the proceeds originally allocated to project development costs for the 2nd mixed-use development project towards the new project land and development costs for the 3rd mixed-use development project, given that the PHDC Loan was utilised for the acquisition of the Land and the working capital of PHDC.

After the Original Announcement was released, the Company undertook a more comprehensive review of the repayment terms and interest rates of the Group’s existing bank borrowings. Based on its review, the Board determined that the interest rates under the Group’s existing Singapore sourced bank borrowings are lower than the interest costs incurred on the PHDC Loan of 6.0% per annum and the Group’s internal resources are sufficient for the repayment of the bank borrowings as and when they fall due. Accordingly, the Board decided not to allocated any portion of the proceeds towards the repayment of its existing Singapore bank borrowings as repaying the PHDC Loan will result in greater savings of interest costs.

Following the reallocation discussed above and as disclosed in the Supplemental Announcement, the Company intends to utilise the net proceeds from the Rights Issue of approximately S\$26.3 million in the Maximum Subscription Scenario in the following approximate manner:

Use of net proceeds	Percentage allocation in the Original Announcement (%)	Percentage Allocation in the Supplemental Announcement (%)	Estimated amount (S\$' million)
Repayment of the Outstanding Indebtedness to the Undertaking Shareholder, comprising: ⁽¹⁾⁽²⁾	–	54.8	14.4
– Approximately US\$10.7 million of the PHDC Loan drawn down and utilised for the PHDC Purposes ⁽³⁾ ; and			
– Interest accrued under the PHDC Loan of approximately US\$56,422			
Project development cost for on-going 2nd mixed-use development project, Royal Platinum, located in Toul Kork	30.0	17.6	4.6
New project land and development cost for the 3rd mixed-use development project located in Toul Kork	30.0	17.6	4.6
Partial repayment of existing bank borrowings	30.0	–	–
General working capital	10.0	10.0	2.6
Net proceeds	100.0	100.0	26.3

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Notes:

- (1) Repayment of the Outstanding Indebtedness will constitute the repayment of a loan to an "interested person" as defined under Chapter 9 of the Listing Manual, as the Undertaking Shareholder is the Executive Deputy Chairman and Group Chief Executive Officer.
- (2) In the Maximum Subscription Scenario, the Outstanding Indebtedness will be satisfied by (a) setting off the amounts payable by the Undertaking Shareholder for his subscription of his *pro rata* entitlement of Rights Shares and any Excess Rights Shares allocated to him (if applicable), and (b) any balance of the Outstanding Indebtedness shall be repaid from the proceeds of the Rights Issue.
- (3) The approximately US\$10.7 million of the PHDC Loan drawn down was utilised (a) to fund the purchase of the Land (approximately 95.3%), and (b) for the working capital of PHDC (approximately 4.7%).

All amounts Set-off shall be treated as repayment of the Outstanding Indebtedness by the Company on behalf of PHDC. The remaining amount of the PHDC Loan will be dependent on the subscription rate of the Rights Issue. For the avoidance of doubt, in the event that no Excess Rights Shares are allocated to the Undertaking Shareholder, the Undertaking Shareholder will only subscribe for his *pro rata* entitlement of 62,208,000 Rights Shares, and the approximately S\$5.7 million payable by the Undertaking Shareholder for his *pro rata* entitlement of 62,208,000 Rights Shares will be set-off against the Outstanding Indebtedness. In such an event, the remaining amount of the Outstanding Indebtedness, equivalent to approximately S\$8.7 million, shall be paid out of the cash proceeds from the Rights Issue.

Minimum Subscription Scenario

Assuming the Minimum Subscription Scenario, the gross proceeds of approximately S\$14.4 million will be utilised towards the repayment of the Outstanding Indebtedness. The Outstanding Indebtedness was utilised (a) to fund the purchase of the Land for PHDC's 3rd mixed-use development project in Toul Kork, and (b) for the working capital of PHDC. In this event, the Company will utilise its internal resources to pay for the professional fees and related expenses incurred in connection with the Rights Issue of approximately S\$0.6 million. For the avoidance of doubt, the Company will not receive any proceeds from the Rights Issue under the Minimum Subscription Scenario as the subscription monies payable by the Undertaking Shareholder pursuant to the Irrevocable Undertaking will be satisfied by the Set-off.

Pending the deployment of the proceeds from the Rights Issue for the uses mentioned above, the net proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Group.

The Company will make periodic announcements on the utilisation of the proceeds from the Rights Issue, as the funds from the Rights Issue are materially disbursed and provide a status report on the use of the proceeds from the Rights Issue in the Company's annual report, in accordance with the rules of the Listing Manual. In relation to the net proceeds from the Rights Issue which are set aside for working capital purposes, the Company will disclose a breakdown with specific details on the use of such net proceeds for working capital in announcements and annual reports.

Although the Rights Issue is not underwritten by any financial institution, the Undertaking Shareholder has executed the Irrevocable Undertaking in favour of the Company. Further, the Company is of the view that the net proceeds raised from the Rights Issue will be sufficient to meet the Company's present funding requirements and to enable the Company to meet its obligations and continue to operate as a going concern. In the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights Issue.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

4. **For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

Maximum Subscription Scenario

For each dollar of the gross proceeds of up to approximately S\$26.9 million due to the Company from the Rights Issue, the Company will use:

- (a) approximately S\$0.54 for the repayment of the Outstanding Indebtedness;
- (b) approximately S\$0.17 to fund the project development cost for on-going 2nd mixed-use development project, Royal Platinum, located in Toul Kork;
- (c) approximately S\$0.17 for the new project land and development cost for the 3rd mixed-use development project located in Toul Kork;
- (d) approximately S\$0.10 to pay for the general working capital; and
- (e) approximately S\$0.02 to pay for the expenses incurred in connection with the Rights Issue.

Minimum Subscription Scenario

In the Minimum Subscription Scenario, for each dollar of the gross proceeds of up to approximately S\$14.4 million due to the Company from the Rights Issue, the Company will use S\$1.00 for the repayment of the Outstanding Indebtedness. In this event, the Company will utilise its internal resources to pay for the professional fees and related expenses incurred in connection with the Rights Issue of approximately S\$0.6 million.

For each dollar of the US\$10.7 million drawn down from the PHDC Loan, the Company has used approximately:

- (a) S\$0.95 to fund the land acquisition in Phnom Penh for PHDC's 3rd mixed development project in Toul Kork; and
- (b) approximately S\$0.05 to pay for the working capital of PHDC.

5. **If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.**

In the Maximum Subscription Scenario, approximately S\$14.4 million of the net proceeds from the Rights Issue will be used to repay the Outstanding Indebtedness, which was utilised to acquire the Land for PHDC's 3rd mixed-use development project in Toul Kork.

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On 11 September 2020, the Group entered into a sale and purchase agreement with Lao Channara, a Cambodian individual, to acquire the Land for a consideration of US\$22,452,300, which is payable in the following tranches:

- (a) 50.0% of the purchase price amounting to US\$11,226,150 (the “**First Tranche Payment**”) upon signing of the Land SPA;
- (b) 30.0% of the purchase price amounting to US\$6,735,690 (the “**Second Tranche Payment**”) after 90 business days from the date of the Land SPA; and
- (c) 20.0% of the purchase price amounting to US\$4,490,460 (the “**Third Tranche Payment**”) after 180 business days from the date of the Land SPA.

As at the Latest Practicable Date, the Company has made the First Tranche Payment and Second Tranche Payment for the Land Acquisition amounting to approximately US\$18.0 million, out of which approximately US\$10.2 million (equivalent to approximately S\$13.7 million based on the MAS Exchange Rate) was financed by the PHDC Loan and the remaining amount was funded by a combination of the Group’s internal resources and payment in kind through six (6) units from the Group’s 1st and 2nd mixed-use development projects with an aggregate value of approximately US\$4.2 million, which is based on the prevailing selling prices at the time of transfer. With respect to the Third Tranche Payment, approximately US\$1.0 million has been paid out of the Group’s internal resources as at the Latest Practicable Date. The remaining amount of the Third Tranche Payment of approximately US\$3.5 million shall be financed by the Group’s internal resources and net proceeds from the Rights Issue (if available). The Company is expecting to complete the Land Acquisition on or before 10 March 2021.

The Company confirms that none of the Company, the Directors or the Substantial Shareholders have any past or current relationships with Lao Channara, save in respect of the Land Acquisition. Lao Channara will not be involved in the development of the 3rd mixed-use development project and had not dealt with any of the Company, its subsidiaries, its associated company, the Directors or the Group’s senior management prior to approaching the Group for the sale of the Land.

For further information on the intended use of the net proceeds from the Rights Issue, please refer to Section 3 and Section 6 of the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information**” of this Offer Information Statement.

6. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

The PHDC Loan

As announced by the Company on 30 October 2020, the Undertaking Shareholder entered into the Loan Agreement with PHDC, a wholly-owned subsidiary of the Company, for the extension of the PHDC Loan to PHDC.

The principal terms of the PHDC Loan are as follows:

Principal amount of the PHDC Loan	:	US\$11,000,000
Maturity Date	:	Date falling 24 months from drawdown date of the PHDC Loan

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Prepayment	:	PHDC may prepay the whole or part of the Loan by three (3) business days' notice
Interest	:	6% per annum, payable on each anniversary of the drawdown date, the last interest payment to be made on the maturity date unless otherwise agreed and subject to any prepayment of the PHDC Loan
Security	:	None

The PHDC Loan was intended to be a bridge to fund the Land Acquisition and working capital needs of PHDC pending further fundraising by the Company. As at the Latest Practicable Date, approximately US\$10.7 million has been drawn down (a) to fund the land acquisition in Phnom Penh for PHDC's 3rd mixed development project in Toul Kork, and (b) for the working capital for PHDC. The breakdown of the use of proceeds is set out in the table below:

Use of PHDC Loan	Percentage allocation (%)	Amount (US\$' million)
Payment of purchase price for Land	95.3	10.2
Working capital of PHDC	4.7	0.5
Total	100.0	10.7

As at the date of the Set-off Agreement, the principal amount and accrued interest outstanding under the PHDC Loan was approximately US\$10,782,572 (equivalent to approximately S\$14,409,829.22 based on the MAS Exchange Rate) (the "**Outstanding Indebtedness**").

Set-off against the PHDC Loan

On 3 December 2020, the Undertaking Shareholder, the Company and PHDC entered into the Set-off Agreement, pursuant to which the Undertaking Shareholder agreed to satisfy his payment obligations under the Irrevocable Undertaking in full by setting off the Maximum Subscription Amount on the one hand against the Outstanding Indebtedness on the other hand.

In order to set off the subscription monies payable by the Undertaking Shareholder against the Outstanding Indebtedness of approximately US\$10.8 million (equivalent to approximately S\$14.4 million based on the MAS Exchange Rate) in full, the maximum number of Rights Shares that the Undertaking Shareholder would be able to subscribe for at the Issue Price of S\$0.091 for each Rights Share is 158,349,771 Rights Shares, which would comprise 62,208,000 Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders) and, subject to availability, 96,141,771 Excess Rights Shares. Accordingly, the maximum total subscription amount that the Undertaking Shareholder would be required to pay for 158,349,771 Rights Shares, subject to availability, is S\$14,409,829.16 (the "**Maximum Subscription Amount**").

Under the Set-off Agreement, the Company and PHDC agreed with the Undertaking Shareholder that the Outstanding Indebtedness may be satisfied in whole or in part by setting off (a) approximately S\$5.7 million payable by the Undertaking Shareholder for his subscription of his *pro rata* entitlement of 62,208,000 Rights Shares and (b) up to approximately S\$8.7 million payable by the Undertaking Shareholder for his subscription of 96,141,771 Excess Rights Shares allotted to him (subject to availability) (the "**Set-off**"), provided that in no event shall the aggregate amount of the Set-off exceed the Outstanding Indebtedness.

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In the Maximum Subscription Scenario, only approximately S\$5.7 million of the Undertaking Shareholder's subscription amount for Rights Shares will be Set-off against the Outstanding Indebtedness, representing approximately 39.3% of the Outstanding Indebtedness. In such a scenario, the balance of the Outstanding Indebtedness of approximately S\$8.7 million shall be repaid from the cash proceeds of the Rights Issue. In the Minimum Subscription Scenario, all of the gross proceeds raised from the Rights Issue will be utilised towards the repayment of the Outstanding Indebtedness through the Set-off.

All amounts set-off shall be treated as repayment of the Outstanding Indebtedness by the Company on behalf of PHDC.

7. **In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

Not applicable. The Rights Issue will not be underwritten by a financial institution.

Information on the Relevant Entity

8. **Provide the following information:**

- (a) **the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**

Registered Office and Principal Place of Business : 1 Gateway Drive, #20-12/13 Westgate Tower
Singapore 608531

Telephone Number : +65 6861 0330

Facsimile Number : +65 6861 7746

E-mail Address : general@hlh.com.sg

- (b) **the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

The Company was listed on the Main Board of the SGX-ST under the name of "Hong Lai Huat Group Limited" on 21 June 2000. Established in 1988, the Company is a real estate and property developer with a track record of over 31 years, and has diversified into the agricultural sector in Cambodia since 2008.

Property Development and Real Estate Division

The Group's property development and real estate division is engaged in the business of investing in and prime development of commercial and residential properties in Singapore and Cambodia.

In Singapore, the Group has completed numerous projects ranging from public and private residential developments, to commercial and industrial buildings. Some of its notable developments include D'Ecosia, D'Fresco, D'Castilia, D'Almira, D'Lithium, D'Kranji Farm Resort and D'Centennial.

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In 2015, the Group expanded its property development arm in Cambodia with the launch of its first freehold mixed-use project, D'Seaview, which was completed in 2019. Following the success of D'Seaview, the Group, through its joint venture, launched its second freehold mixed-use project, Royal Platinum, situated in Toul Kwok district, Phnom Penh, the capital city of Cambodia, in 2019. The new project will comprise 851 residential and 50 commercial units, and is strategically located close to Phnom Penh International Airport.

In September 2020, the Group entered into a sale and purchase agreement to acquire a plot of land in Toul Kork district, Phnom Penh, capital city of Cambodia, for the Group's third mixed-used development project.

Agriculture Division

The Group's agriculture division is engaged in the business of developing agricultural plantations, cultivating cassava, and branding, merchandising, and distribution of cassava starch. The Group also owns an agriculture-related resort.

In 2008, the Group diversified into the agricultural sector in Cambodia. The Group has since completed the development of an approximately 10,000 hectare cassava plantation, with approximately 9,000 hectares of farmland cultivating fresh cassava, and a cassava starch production facility capable of producing 120 tonnes of starch per day and other necessary infrastructure. The Group's cassava starch is mainly exported to European markets such as the Netherlands and Italy under its CAMFARM brand.

The Group also owns D'Kranji Farm Resort, an agritainment resort located in the northwest of Singapore. The resort first opened in 2008, and has been managed by Blue Dolphin Gallery (Singapore) Pte Ltd since 1 July 2018.

As at the Latest Practicable Date, the subsidiaries and associated company of the Company and their principal activities are as follows:

Name	Principal Activities	Country of incorporation	Ownership (%)
<u>Subsidiaries</u>			
<u>Held by the Company</u>			
Hong Lai Huat International Pte Ltd	Investment holding	Singapore	100
HLH Agri International Pte Ltd	Investment holding	Singapore	100
HLH Development Pte Ltd	Investment holding	Singapore	100
<u>Held by HLH Agri International Pte Ltd</u>			
HLH Agri R&D Pte Ltd	Property Investment	Singapore	100
HLH Global Trading Pte Ltd	Dormant	Singapore	100
HLHI (Cambodia) Company Limited ⁽¹⁾	Investment holding, property investment	Cambodia	49
HLH Agriculture (Cambodia) Co. Ltd	Agriculture plantation, processing and distribution	Cambodia	100

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Name	Principal Activities	Country of incorporation	Ownership (%)
<u>Held by HLH Development Pte Ltd</u>			
Agri-Oral Joint Cooperate Co., Ltd (formerly known as Hong Lai Huat Development (Cambodia) Limited) ⁽¹⁾	Property development and real estate	Cambodia	49
<u>Held by Hong Lai Huat International Pte Ltd</u>			
Public Housing Development (Cambodia) Limited ⁽¹⁾	Property development and real estate	Cambodia	49
PH One Development (Cambodia) Limited ⁽¹⁾	Property development and real estate	Cambodia	49
<u>Associated company</u>			
<u>Held by HLH Development Pte Ltd</u>			
Royal Hong Lai Huat One Company Limited ⁽²⁾	Property development and real estate	Cambodia	49

Notes:

- (1) A Director holds the remaining 51% interest in these subsidiaries, in trust for the Group, pursuant to deeds of trust agreement between the Director and the companies in the Group. Accordingly, 100% interests of these subsidiaries have been consolidated in the Group's financial statements.
- (2) A Director holds 1% interest in the associated company, in trust for the Group, pursuant to deeds of trust agreement between the Director and the companies in the Group. The above associated company is accounted for using the equity method in the Group's consolidated financial statements.

(c) the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –

- (i) the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

A description of the general development of the Group's business from FY2018 to the Latest Practicable Date are set out below in chronological order. Shareholders are advised to refer to the related announcements released by the Company via SGXNET for further details.

General Developments in FY2018

On 26 March 2018, the Group entered into a sale and purchase agreement to sell its 98 room, 10 storey hotel in its 1st mixed-use development project, D'Seaview, in Sihanoukville, Cambodia for a total cash consideration of S\$15.7 million (the "D'Seaview SPA"). The D'Seaview SPA was terminated on 11 December 2018 by PH One Development (Cambodia) Limited, the Company's subsidiary in Cambodia, as it had only received partial payment from Sihahotel Group Co., Ltd, the buyer of the hotel (the "Sihahotel").

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On 27 June 2018, the Group held the roof topping out ceremony for the first mixed-use development project, D'Seaview in Sihanoukville, Cambodia. The ceremony was graced by H.E. Yun Min, the Governor of Sihanoukville Province.

On 1 November 2018, the Group entered into a joint cooperation agreement with Royal Group of Companies Limited in relation to the joint development of the 2nd mixed-use development project in the capital city of Cambodia, Phnom Penh.

General Developments in FY2019

On 5 March 2019, HLH Development Pte Ltd, together with Royal Group of Companies Limited, soft launched the Group's 2nd mixed-use development project, Royal Platinum, in Phnom Penh.

On 8 April 2019, the Company announced a proposed share capital reduction to address disparities between its issued and paid-up share capital and the records maintained by the Accounting and Corporate Regulatory Authority of Singapore (ACRA). The proposed share capital reduction was approved by Shareholders at an extraordinary general meeting held on 30 April 2019.

On 7 May 2019, the Group held the ground breaking ceremony for the 2nd mixed-use development, Royal Platinum. The ceremony was attended by Mr Michael Tan Keng Siong, the Singapore Ambassador to the Kingdom of Cambodia. The grand opening of the sale gallery for Royal Platinum was held on 18 December 2019 in Phnom Penh.

The Group completed the construction works for D'Seaview in FY2019, and commenced the process of handing over residential units in the development to buyers.

General Developments in FY2020

On 14 May 2020, the Group appointed Branch of Sinohydro Corporation Limited as the main contractor for Royal Platinum, the Group's 2nd mixed-use development project in Cambodia, for a total contract sum of US\$48,888,000.

On 29 May 2020, the Company updated Shareholders with regard to the D'Seaview SPA. Sihahotel had, on 28 September 2018, filed a complaint in the Phnom Penh Court of First Instance against the termination of the D'Seaview SPA by PH One Development (Cambodia) Limited. This complaint was discharged by the Phnom Penh Court on 14 November 2019 on the basis that the dispute was civil in nature and to be settled by arbitration. Sihahotel subsequently filed an appeal to the Phnom Penh Appeal Court and the complaint was reinstated to the Phnom Penh Court for another hearing on 5 June 2020. Sihahotel had also filed for a Preservative Relief Order in relation to certain units that were purchased under the D'Seaview SPA.

On 7 September 2020, the Group entered into a non-binding Memorandum of Understanding ("**MOU**") with SKIOLD A/S for an intended collaboration on a proposed Cambodia-Singapore Agriculture Special Economic Zone with an estimated investment value of US\$1.0 billion. Pursuant to the MOU, the Group and SKIOLD A/S shall focus on the issues set out below with a view to entering into a binding agreement for a new project within six (6) months from the date of the MOU:

- (a) initiate the setting up of livestock and seed production in the Cambodia-Singapore Agriculture Economic Zone;
- (b) perform a feasibility study of the proposed new project for the initiative comprising the development and implementation of livestock and agricultural production to produce poultry, cattle and seed production in Cambodia as well as Singapore to supply and enhance food security in Singapore; and

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- (c) create more job opportunities for countries in connection with the setting up of the strategic partnership and the resulting spin-offs from the initiative.

On 11 September 2020, the Group entered into a sale and purchase agreement with Lao Channara to acquire the Land for a consideration of US\$22,452,300.

On 30 October 2020, PHDC entered into the PHDC Loan Agreement with the Undertaking Shareholder, pursuant to which the Undertaking Shareholder agreed to extend a loan of US\$11,000,000 to PHDC to fund the purchase of the Land for the 3rd mixed-use development project located in Toul Kork, and for the working capital of PHDC.

General Developments from 1 January 2021 up to the Latest Practicable Date

On 23 February 2021, the Company announced that the Rights Issue Resolution and the Whitewash Resolution were approved and passed by Shareholders and Independent Shareholders respectively at the EGM.

- (d) **the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**
- (i) **in the case of the equity capital, the issued capital; or**
- (ii) **in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$94,601,971 comprising 221,933,192 Shares.

The Company does not have any treasury shares and there are no outstanding warrants or convertible securities issued by the Company pursuant to which new Shares may be issued on exercise or conversion.

- (e) **where –**
- (i) **the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
- (ii) **the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**

As at the Latest Practicable Date, the interests of the Substantial Shareholders in Shares are as follows:

Substantial Shareholders	Direct Interest	Number of Shares		Total Interest		
		(%) ⁽¹⁾	Deemed Interest (%) ⁽¹⁾			
The Undertaking Shareholder	16,656,000	7.5	30,004,066 ⁽²⁾	13.52	46,660,066	21.0
Dr. Wong Wen-Young, Winston	13,841,850	6.2	–	–	13,841,850	6.2

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Notes:

- (1) Based on the Existing Share Capital comprising 221,933,192 Shares.
- (2) Pursuant to Section 4 of the SFA, the Undertaking Shareholder is treated as having an interest in 30,000,000 Shares held by Haitong. Phillip Securities Pte. Ltd. is the sub-custodian for Haitong's holding of 30,000,000 Shares on behalf of the Undertaking Shareholder. Pursuant to Section 133(4) of the SFA, the Undertaking Shareholder is deemed to have an interest in 4,066 Shares held his spouse, Ms. Lau.

- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which any member of the Group is a party or which is pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

- (g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**

- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or**

Not applicable. The Company did not issue any securities, securities-based derivatives contracts or equity interests for cash in the 12 months immediately preceding the Latest Practicable Date.

- (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests;**

Not applicable. The Company has not issued any securities, securities-based derivatives contracts or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**

Save as disclosed below, the members of the Group have not entered into any material contracts outside the ordinary course of business for the period of two (2) years immediately preceding the date of lodgment of this Offer Information Statement:

- (a) the PHDC Loan Agreement; and
- (b) the Set-off Agreement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –
 - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
2. The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:
 - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share;
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.
3. Despite paragraph 1 of this Part, where –
 - (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and
 - (b) the audited financial statements for that year are unavailable,

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

The audited consolidated income statements of the Group for FY2017, FY2018 and FY2019, and unaudited consolidated income statements of the Group for FY2020 are set out below:

	FY2017 S\$'000 (Audited & Restated)	FY2018 S\$'000 (Audited)	FY2019 S\$'000 (Audited)	FY2020 S\$'000 (Unaudited)
Revenue	12,600	34,386	29,343	7,964
Cost of sales	(6,232)	(15,819)	(14,426)	(4,431)
Gross profit	6,368	18,567	14,917	3,533
Other income	15,304	8,575	1,376	773
Distribution and selling expenses	(1,583)	(4,260)	(849)	(257)
Administrative expenses	(10,012)	(13,232)	(9,006)	(9,743)
Other expenses	(4,969)	(4,493)	(3,109)	(1,863)
Share of loss of joint venture	–	–	(762)	(853)
Finance costs	(469)	(384)	(107)	(349)
Profit before income tax	4,639	4,773	2,460	(8,759)
Income tax (expense) benefit	(2,854)	2,817	(651)	228
Profit (loss) for the year	1,785	7,590	1,809	(8,531)
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Exchange differences on translation of foreign operations	(5,521)	1,616	(1,525)	(1,917)
Other comprehensive (loss)/ income for the year, net of tax	(5,521)	1,616	(1,525)	(1,917)
Total comprehensive (loss)/ income for the year	(3,736)	9,206	284	(10,448)
Profit (loss) attributable to:				
- Owners of the Company	1,785	7,590	1,809	(8,531)
- Non-controlling interest	–	–	–	–
	1,785	7,590	1,809	(8,531)
Total comprehensive (loss)/ income attributable to:				
- Owners of the Company	(3,736)	9,206	284	(10,448)
- Non-controlling interest	–	–	–	–
	(3,736)	9,206	284	(10,448)
Earnings per Share (cents)				
Basic	0.804	3.420	0.815	(3.844)
Diluted	0.804	3.420	0.815	(3.844)
Earnings per Share after adjusting for the Rights Issue assuming the Maximum Subscription Scenario (cents)				
Basic	0.345	1.466	0.349	(1.647)
Diluted	0.345	1.466	0.349	(1.647)

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

	FY2017 S\$'000 (Audited & Restated)	FY2018 S\$'000 (Audited)	FY2019 S\$'000 (Audited)	FY2020 S\$'000 (Unaudited)
Earnings per Share after adjusting for the Rights Issue assuming the Minimum Subscription Scenario (cents)				
Basic	0.469	1.996	0.476	(2.243)
Diluted	0.469	1.996	0.476	(2.243)
Dividend per Share (cents)	–	–	–	–

Source: Annual reports of the Company for FY2018 and FY2019 and the unaudited full year financial results announcement for FY2020.

4. In respect of –

- (a) each financial year (being one of the 3 most recently completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

FY2020 (Unaudited) versus FY2019 (Audited)

Revenue

The Group's revenue decreased by approximately S\$21.4 million from approximately S\$29.3 million in FY2019 to approximately S\$8.0 million in FY2020, mainly due to a reduction in sales volume as a result of the COVID-19 pandemic, and a lower percentage of progressive revenue recognition from the Group's D'Seaview project in Cambodia, which was completed in FY2020.

Gross profit

The Group's gross profit decreased by approximately S\$11.4 million from approximately S\$14.9 million in FY2019 to approximately S\$3.5 million in FY2020. This was mainly due to the reduction in the revenue of the Group in FY2020. Gross profit margin decreased by approximately 6.4 percentage points from approximately 50.8% in FY2019 to approximately 44.4% in FY2020.

Other income

The Group's other income decreased by approximately S\$0.6 million from approximately S\$1.4 million in FY2019 to approximately S\$0.8 million in FY2020. This was mainly due to an absence of a fair value gain on biological assets of approximately S\$1.0 million in FY2019, partially offset by an increase in government grants received of approximately S\$0.2 million in FY2020.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Distribution and selling expenses

The Group's distribution and selling expenses decreased by approximately S\$0.6 million from approximately S\$0.8 million in FY2019 to approximately S\$0.3 million in FY2020, mainly due to lower sales and marketing activities and estate agencies commission paid out for the property segment.

Administrative expenses

The Group's administrative expenses increased by approximately S\$0.7 million from approximately S\$9.0 million in FY2019 to approximately S\$9.7 million in FY2020, mainly due to higher professional fees incurred and payment of strata title transfer fee for the property segment.

Other expenses

The Group's other expenses decreased by approximately S\$1.2 million from approximately S\$3.1 million in FY2019 to approximately S\$1.9 million in FY2020, mainly due to (a) fair value loss of approximately S\$0.9 million on investments in quoted shares in FY2019 as compared to a fair value loss of approximately S\$0.06 million in FY2020, and (b) net foreign exchange loss of approximately S\$0.7 million in FY2019 as compared to a net foreign exchange loss of approximately S\$0.2 million in FY2020. This was partially offset by a fair value loss of approximately S\$0.3 million on biological assets in FY2020 which was absent in FY2019.

Share of loss of joint venture

The Group's share of loss of joint venture increased by approximately S\$0.1 million from approximately S\$0.8 million in FY2019 to approximately S\$0.9 million in FY2020. The share of loss of joint venture was mainly due to slower sales as a result of the COVID-19 pandemic and a lower percentage of progressive revenue recognition from the Group's Royal Platinum project in Cambodia.

Loss for the year

As a result of the above, the Group reported a loss attributable to owners of the Company of approximately S\$8.5 million in FY2020, as compared to a profit attributable to owners of the Company of approximately S\$1.8 million in FY2019.

FY2019 (Audited) versus FY2018 (Audited)

Revenue

The Group's revenue decreased by approximately S\$5.0 million from approximately S\$34.4 million in FY2018 to approximately S\$29.3 million in FY2019, mainly due to a lower percentage of revenue recognised from the Group's D'Seaview project in Cambodia, which was reaching completion. The property development and real estate division accounted for approximately 91% of the Group's revenue in FY2019.

Gross profit

The Group's gross profit decreased by approximately S\$3.7 million from approximately S\$18.6 million in FY2018 to approximately S\$14.9 million in FY2019. This was mainly due to the reasons stated above. Gross profit margin decreased by approximately 3.2 percentage points from approximately 54.0% in FY2018 to approximately 50.8% in FY2019.

Other income

The Group's other income decreased by approximately S\$7.2 million from approximately S\$8.6 million in FY2018 to approximately S\$1.4 million in FY2019, mainly due to one-time forfeiture of progressive deposits from property sales and net foreign exchange gain in FY2018.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Distribution and selling expenses

The Group's distribution and selling expenses decreased by approximately S\$3.4 million from approximately S\$4.3 million in FY2018 to approximately S\$0.8 million in FY2019, mainly due to lower sales and marketing activities for the property development and real estate agencies commission paid out for the property segment.

Administrative expenses

The Group's administrative expenses decreased by approximately S\$4.2 million from approximately S\$13.2 million in FY2018 to approximately S\$9.0 million in FY2019, mainly due to lower professional fees paid out for the property development segment, depreciation and reduced expenses related to the upkeep of farm machinery in the agriculture segment.

Other expenses

The Group's other expenses decreased by approximately S\$1.4 million from approximately S\$4.5 million in FY2018 to approximately S\$3.1 million in FY2019, mainly due to lower loss on fair value of biological assets in FY2019.

Share of loss of joint venture

Share of loss of joint venture was S\$0.8 million in FY2019, mainly due to incorporation costs, marketing activities and operating expenses incurred by our joint venture company, Royal Hong Lai Huat One Company Limited in Cambodia. HLH Development Pte Ltd, a wholly owned subsidiary of the Group and Royal Group of Companies Limited have incorporated the joint venture company to develop a mixed-use development project in Phnom Penh, the capital city of Cambodia.

Profit for the year

As a result of the above, the Group reported a profit attributable to owners of the Company of approximately S\$1.8 million in FY2019, as compared to a profit attributable to owners of the Company of approximately S\$7.6 million in FY2018.

FY2018 (Audited) versus FY2017 (Audited and restated)

Revenue

The Group's revenue increased by approximately S\$21.8 million from approximately S\$12.6 million in FY2017 to approximately S\$34.4 million in FY2018, mainly due to strong property sales in Cambodia. The property development and real estate division accounted for approximately 89% of the Group's revenue in FY2018.

Gross profit

The Group's gross profit increased by approximately S\$12.2 million from approximately S\$6.4 million in FY2017 to approximately S\$18.6 million in FY2018. This was mainly due to the reasons stated above. Gross profit margin increased by approximately 3.5 percentage points from approximately 50.5% in FY2017 to approximately 54.0% in FY2018.

Other income

The Group's other income decreased by approximately S\$6.7 million from approximately S\$15.3 million in FY2017 to approximately S\$8.6 million in FY2018, mainly due to the higher fair value gain of the investment properties in FY2017.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Distribution and selling expenses

The Group's distribution and selling expenses increased by approximately S\$2.7 million from approximately S\$1.6 million in FY2017 to approximately S\$4.3 million in FY2018, mainly due to higher sales and marketing activities for the property development and real estate agencies commission paid out for the property segment.

Administrative expenses

The Group's administrative expense increased by approximately S\$3.2 million from approximately S\$10.0 million in FY2017 to approximately S\$13.2 million in FY2018, mainly due to higher professional fees paid out in the property development segment, depreciation and upkeep of farm machinery in the agriculture segment.

Other expenses

The Group's other expense decreased by approximately S\$0.5 million from approximately S\$5.0 million in FY2017 to approximately S\$4.5 million in FY2018, mainly due to net foreign exchange gain of approximately S\$1.2 million in FY2018 compared to net foreign exchange loss of approximately S\$3.0 million in FY2017.

Profit for the year

As a result of the above, the Group reported a profit attributable to owners of the Company of approximately S\$7.6 million in FY2018, as compared to a profit attributable to owners of the Company of approximately S\$1.8 million in FY2017.

5. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –**
- (a) **the most recently completed financial year for which audited financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**
6. **The data mentioned in paragraph 5 of this Part must include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and must in addition include the following items:**
- (a) **number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;**
 - (b) **net assets or liabilities per share;**
 - (c) **net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

The audited consolidated balance sheets of the Group as at 31 December 2017, 31 December 2018 and 31 December 2019, and the unaudited consolidated balance sheet of the Group as at 31 December 2020 are set out below:

	As at 31 December 2017 S\$'000 (Audited & Restated)	As at 31 December 2018 S\$'000 (Audited)	As at 31 December 2019 S\$'000 (Audited)	As at 31 December 2020 S\$'000 (Unaudited)
Assets				
Current Assets				
Cash and bank balances	2,021	25,231	11,305	9,535
Trade receivables	559	2,787	15,223	6,136
Other receivables and deposits	722	428	1,894	1,391
Prepayments	763	620	1,330	26,081
Investment securities	2	1,102	161	100
Inventories	496	105	159	156
Biological assets	7,350	5,129	5,436	5,515
Properties held for sale	–	–	–	23,653
Development properties	15,098	18,892	23,265	–
	27,011	54,294	58,773	72,567
Asset classified as held for sale	2,807	–	684	–
Total current assets	29,818	54,294	59,457	72,567
Non-current assets				
Other receivables and deposits	40	41	40	40
Property, plant and equipment	85,041	83,018	11,864	10,711
Rights-of-use assets	–	–	67,681	64,674
Investment properties	37,880	12,505	9,000	8,000
Intangible asset	11	7	–	–
Investment in joint venture	–	–	3,315	6,405
Other financial assets	–	–	–	240
Total non-current assets	122,972	95,571	91,900	90,070
Total assets	152,790	149,865	151,357	162,637
Liabilities and equity				
Current liabilities				
Bank loans and overdraft	3,301	686	1,238	2,651
Trade payables	7,336	5,228	5,534	4,216
Other payables and accruals	2,463	1,645	3,666	6,478
Income tax payable	313	26	132	27
Lease liabilities	–	–	248	156
Finance lease liabilities	122	105	–	–
Loan from controlling shareholder	–	–	–	147
Total current liabilities	13,535	7,690	10,818	13,675

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

	As at 31 December 2017 S\$'000 (Audited & Restated)	As at 31 December 2018 S\$'000 (Audited)	As at 31 December 2019 S\$'000 (Audited)	As at 31 December 2020 S\$'000 (Unaudited)
Non-current liabilities				
Bank loans and overdraft	1,931	1,245	–	5,346
Lease liabilities	–	–	886	779
Finance lease liabilities	1,092	900	–	–
Convertible bonds	1,996	–	–	–
Loan from controlling shareholder	–	–	–	14,177
Deferred tax liabilities	14,517	11,109	11,565	11,020
Total non-current liabilities	19,536	13,254	12,451	31,322
Capital, reserves and non-controlling interests				
Share capital	123,131	123,131	94,602	94,602
Retained earnings (Accumulated losses)	(1,084)	6,506	35,727	27,196
Capital reserve	418	414	414	414
Asset revaluation reserve	2,775	2,775	2,775	2,775
Foreign currency translation reserve	(5,521)	(3,905)	(5,430)	(7,347)
Equity attributable to owners of the Company	119,719	128,921	128,088	117,640
Non-controlling interests	–	–	–	–
Total equity	119,719	128,921	128,088	117,640
Total liabilities and equity	152,790	149,865	151,357	162,637

Source: Annual reports of the Company for FY2018 and FY2019 and the unaudited full year financial results announcement for FY2020.

A review of the financial position of the Group as at 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020 is set out below.

31 December 2020 (Unaudited) versus 31 December 2019 (Audited)

The Group's total assets increased by approximately S\$11.3 million from approximately S\$151.4 million as at 31 December 2019 to approximately S\$162.6 million as at 31 December 2020. The increase was mainly due to an increase in prepayment on acquisition of freehold land, partially offset by a decrease in trade receivables due from buyers of D'Seaview, the Group's first mixed-use development in Cambodia and cash and bank balances.

The Group's total liabilities increased by approximately S\$21.7 million from approximately S\$23.3 million as at 31 December 2019 to approximately S\$45.0 million as at 31 December 2020. The increase was mainly due to new bank loans raised and the PHDC Loan.

As at 31 December 2020, total equity attributable to owners of the Company is approximately S\$117.6 million.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

31 December 2019 (Audited) versus 31 December 2018 (Audited)

The Group's total assets increased by approximately S\$1.5 million from approximately S\$149.9 million as at 31 December 2018 to approximately S\$151.4 million as at 31 December 2019. The increase was mainly due to an increase in unbilled receivables (contract assets), development properties and investment in joint-venture, partially offset by the decrease in cash and bank balances, property, plant and equipment and investment properties.

The Group's total liabilities increase by approximately S\$2.3 million from approximately S\$20.9 million as at 31 December 2018 to approximately S\$23.3 million as at 31 December 2019. The increase was mainly due to an increase in other payables and accruals, and bank loans.

As at 31 December 2019, total equity attributable to owners of the Company is approximately S\$128.1 million.

31 December 2018 (Audited) versus 31 December 2017 (Audited and restated)

The Group's total assets decreased by approximately S\$2.9 million from approximately S\$152.8 million as at 31 December 2017 to approximately S\$149.9 million as at 31 December 2018. The decrease was mainly due to a decrease in other receivables and deposits, inventories, biological assets, property, plant and equipment and investment properties, partially offset by the increase in cash and bank balances, unbilled receivables (contract assets), investment securities and development properties.

The Group's total liabilities decrease by approximately S\$12.1 million from approximately S\$33.1 million as at 31 December 2017 to approximately S\$20.9 million as at 31 December 2018. The decrease was mainly due to a decrease in bank loans and overdraft, trade payables, other payables and accruals, convertible bonds and deferred tax liabilities.

As at 31 December 2018, total equity attributable to owners of the Company is approximately S\$128.9 million.

Liquidity and Capital Resources

7. **Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –**
- (a) **the most recently completed financial year for which financial statements have been published; and**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

The audited consolidated cash flow statements of the Group for FY2017, FY2018 and FY2019, and unaudited consolidated cash flow statement of the Group for FY2020 are set out below:

	FY2017 S\$'000 (Audited & Restated)	FY2018 S\$'000 (Audited)	FY2019 S\$'000 (Audited)	FY2020 S\$'000 (Unaudited)
OPERATING ACTIVITIES				
Profit before income tax	4,639	4,773	2,460	(8,759)
Adjustments for:				
Share of loss of joint venture	–	–	762	853
Interest expense	469	384	107	349
Bad debts written off	68	–	–	–
Depreciation of property, plant and equipment	3,767	3,777	1,785	1,570
Depreciation of right-of-use assets	–	–	2,028	1,925
Loss (Gain) on fair value of biological assets	1,073	2,872	(954)	302
Loss (Gain) on change in fair value of investment properties	(12,918)	15	1,000	1,000
Loss (Gain) on disposal of property, plant and equipment, net	778	(95)	8	(41)
Gain on disposal of subsidiaries	(575)	–	–	–
Loss on change in fair value of assets classified as held for sale	–	–	36	–
Loss (Gain) on disposal of investment properties	126	(565)	390	–
Loss (Gain) on change in fair value of quoted investment	–	(100)	941	60
Foreign exchange adjustments	1,124	(954)	452	174
Interest income	(46)	(46)	(255)	(238)
Write-off of property, plant and equipment	–	85	24	12
Operating cash flows before movement in working capital	(1,495)	10,146	8,784	(2,793)
Trade receivables	(335)	(2,228)	(12,436)	9,195
Other receivables and deposits	92	294	(1,465)	498
Prepayments	(510)	143	(710)	(720)
Acquisition of freehold land	–	–	–	(25,049)
Inventories	185	391	(54)	–
Biological assets	(1,181)	(491)	569	(482)
Development properties / properties held for sale	(7,424)	(3,794)	(4,373)	(821)
Trade payables	5,878	(2,108)	306	(1,277)
Other payables and accruals	(2,903)	(818)	2,021	2,981
Currency translation adjustments	–	–	–	47
Cash (used in) from operations	(7,693)	1,535	(7,358)	(18,421)
Interest paid	(469)	(384)	(107)	–
Income tax paid	(90)	(1,074)	(1,165)	(240)
Interest received	46	46	255	–
Net cash (used in) from operating activities	(8,206)	123	(8,375)	(18,661)

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	FY2017 S\$'000 (Audited & Restated)	FY2018 S\$'000 (Audited)	FY2019 S\$'000 (Audited)	FY2020 S\$'000 (Unaudited)
INVESTING ACTIVITIES				
Investment in joint venture	–	–	(4,065)	(4,076)
Purchase of intangible assets	(11)	–	–	–
Purchase of property, plant and equipment	(334)	(454)	(431)	(613)
Purchase of right-of-use assets	–	–	(110)	–
Purchase of investment securities	–	(1,000)	–	–
Purchase of financial assets at fair value through profit or loss	–	–	–	(311)
Proceeds from disposal of subsidiaries	351	–	–	–
Proceeds from sale of property, plant and equipment	290	502	94	87
Proceeds from disposal of investment properties	2,218	26,563	1,364	–
Proceeds from disposal of quoted investments	–	–	–	1
Proceeds from disposal of assets classified as held for sale	–	2,857	–	684
Interest received	–	–	–	238
Net cash from (used in) investing activities	2,514	28,468	(3,148)	(3,990)
FINANCING ACTIVITIES				
New bank loans raised	–	–	–	8,643
New controlling shareholder loan raised	–	–	–	14,789
Dividend paid to owners of the Company	–	–	(1,110)	–
Repayment of bank loans	(3,600)	(660)	(693)	(1,884)
Repayment for leases liabilities	(87)	(103)	(228)	(179)
Proceeds from issuance of convertible bonds	2,000	–	–	–
Repayment for convertible loan notes redeemed	–	(2,000)	–	–
Interest paid	–	–	–	(196)
Net cash (used in) from financing activities	(1,687)	(2,763)	(2,031)	21,173
Net (decrease) increase in cash and cash equivalents	(7,379)	25,828	(13,554)	(1,478)
Effect of exchange rate changes on balances held in foreign currencies	13	23	(372)	(292)
Cash and cash equivalents (overdrawn) at beginning of year / period	6,746	(620)	25,231	11,305
Cash and cash equivalents at end of year / period	(620)	25,231	11,305	9,535

Source: Annual reports of the Company for FY2018 and FY2019 and the unaudited full year financial results announcement for FY2020.

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A review of the cash flow and liquidity of the Group from FY2017 to FY2020 is set out below.

FY2020 (Unaudited)

Net cash flows from operating activities

In FY2020, net cash flows used in operating activities of approximately S\$18.7 million consisted of negative operating cash flows before working capital changes of approximately S\$2.8 million, net of working capital outflow of approximately S\$15.6 million and income tax paid of approximately S\$0.2 million.

The net working capital outflow arose mainly due to the acquisition of the Land, partially offset by a decrease in trade receivables as a result of an increase in collection from buyers of the D'Seaview units from the Group's first mixed-use development project.

Net cash flows used in investing activities

Net cash flows used in investing activities amounted to approximately S\$4.0 million, mainly due to the investment in joint venture.

Net cash flows from financing activities

Net cash flows from financing activities amounted to approximately S\$21.2 million, mainly due to new bank loans raised for working capital purposes and the PHDC Loan, partially offset by repayment of bank loans.

Overall, cash and cash equivalents of the Group stood at approximately S\$9.5 million as at 31 December 2020.

FY2019 (Audited)

Net cash flows used in operating activities

In FY2019, net cash used in operating activities of approximately S\$8.4 million consisted of operating cash flows before working capital changes of approximately S\$8.8 million, net of working capital outflow of approximately S\$16.1 million, net interest received of approximately S\$0.1 million and income tax paid of approximately S\$1.2 million.

The net working capital outflow arose mainly due to:

- (a) increase in trade receivables was mainly due to an increase in unbilled receivables (contract assets) of our property sales in Cambodia; and
- (b) increase in development properties was mainly due to the capitalising of development costs.

Net cash flows used in investing activities

Net cash flows used in investing activities amounted to approximately S\$3.1 million, mainly due to investment in joint venture, partially offset by proceeds from disposal of investment properties.

Net cash flows used in financing activities

Net cash flows used in financing activities amounted to approximately S\$2.0 million, mainly due to repayment of bank loans and dividends paid to shareholders of the Company.

Overall, cash and cash equivalents of the Group stood at approximately S\$11.3 million as at 31 December 2019.

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FY2018 (Audited)

Net cash flows from operating activities

In FY2018, net cash flows from operating activities of approximately S\$0.1 million consisted of operating cash flows before working capital changes of approximately S\$10.1 million, net of working capital outflow of approximately S\$8.6 million, net interest paid of approximately S\$0.3 million and income tax paid of approximately S\$1.1 million.

The net working capital outflow arose mainly due to:

- (a) increase in trade receivables was mainly due to an increase billing of our property sales in Cambodia;
- (b) increase in development properties was mainly due to the capitalising of development costs;
- (c) decrease in trade payables was mainly due to reduction in progressive claims from contractors and accruals for unbilled contractor progressive claims; and
- (d) decrease in other payables and accruals was mainly due to deposits collected upon signing of the sale and purchase agreement for the disposal of asset classified as held for trading in FY2017.

Net cash flows from investing activities

Net cash flows from investing activities amounted to approximately S\$28.5 million, mainly due to proceeds from the sale of property, plant and equipment, disposal of investment properties and disposal of assets classified as held for sale, partially offset by the purchase of investment securities.

Net cash flows used in financing activities

Net cash flows used in financing activities amounted to approximately S\$2.8 million, mainly due to repayment of bank loans and repayment of convertible loan notes redeemed.

Overall, cash and cash equivalents of the Group stood at approximately S\$25.2 million as at 31 December 2018.

FY2017 (Audited and restated)

Net cash flows used in operating activities

In FY2017, net cash used in operating activities of approximately S\$8.2 million consisted of negative operating cash flows before working capital changes of approximately S\$1.5 million, net of working capital outflow of approximately S\$6.2 million, net interest paid of approximately S\$0.4 million and income tax paid of approximately S\$90,000.

The net working capital outflow arose mainly due to:

- (a) increase in development properties was mainly due to the capitalising of development costs; and
- (b) decrease in other payables and accruals was mainly due to lower deferred revenue recognised from the D'Seaview mixed-use development.

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Net cash flows from investing activities

Net cash flows from investing activities amounted to approximately S\$2.5 million, mainly due to proceeds from sale of property, plant and equipment, disposal of investment properties and subsidiaries, partially offset by the purchase of property, plant and equipment.

Net cash flows used in financing activities

Net cash flows used in financing activities amounted to approximately S\$1.7 million, mainly due to repayment of bank loans, partially offset by proceeds from issuance of convertible bonds.

Overall, cash and cash equivalents of the Group stood at approximately negative S\$0.6 million as at 31 December 2017.

8. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**

In the reasonable opinion of the Directors, barring unforeseen circumstances, as at the date of lodgment of this Offer Information Statement, after taking into consideration the Group's internal resources, operating cash flows and present credit facilities, the working capital available to the Group is sufficient for at least the next 12 months.

The Undertaking Shareholder has executed an Irrevocable Undertaking in favour of the Company pursuant to which he has irrevocably undertaken to, amongst others, subscribe and pay in full for his *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 (subject to availability) in addition to his *pro rata* entitlement, under the Rights Issue, subject to the Maximum Subscription Amount. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights Issue will strengthen the financial position and capital base of the Group.

Please refer to paragraph 7 of the section entitled "**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing**" of this Offer Information Statement, for details of the terms of the Irrevocable Undertaking.

9. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide –**
- (a) **a statement of that fact;**
 - (b) **details of the credit arrangement or bank loan; and**

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- (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

To the best of the Directors' knowledge, at the date of lodgment of this Offer Information Statement, none of the entities in the Group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the Company.

Trend Information and Profit Forecast or Profit Estimate

10. Discuss –

- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and
- (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

Save as disclosed below and in this Offer Information Statement and the Company's annual reports and in all public announcements made by the Company via SGXNET, barring unforeseen circumstances, to the best of the Directors' knowledge, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition.

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled "**Cautionary Note on Forward-Looking Statements**" of this Offer Information Statement for further information.

Business and Financial Prospects for the Current Financial Year

General

The outbreak of COVID-19 has spread globally and triggered a global economic contraction, causing disruptions in demand and supply chains. The COVID-19 outbreak is ongoing and the extent of the outbreak and its impact on domestic, regional and global economies remains uncertain. The COVID-19 outbreak continues to accelerate in several countries around the world, and could become even more severe, which may in turn result in protracted volatility in international markets and/or result in a prolonged global economic recession as a consequence of continued widespread disruption to general business activities, among others, manufacturing supply chains, imposition of quarantines, and prolonged closures of workplaces. While several promising vaccine candidates are expected to obtain regulatory approval and achieve deployment in 2021, it remains uncertain if the vaccines can be produced at the scale necessary for widespread global rollout in the current financial year.

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Agriculture Division

Based on current market conditions and the Group's assessment of the market value of fresh cassava, management has decided that the Group will focus on the cultivation and sale of fresh cassava.

The Group's agriculture division will also explore joint cooperation method for its cassava starch factory and explore other possible agricultural related business cooperation on the land for FY2021.

Property Division

Handovers of units in the D'Seaview mixed development project to overseas buyers have been impacted by the continuing border restrictions imposed by the Cambodian government to combat the COVID-19 pandemic. The Property Division of the Group expects the slow handover of units to foreign buyers to continue in the first half of FY2021, and will instead focus on completing handovers of units to all local buyers in Cambodia during the same period.

Construction work at Royal Platinum, the Group's second mixed development project in Phnom Penh, the capital city of Cambodia, is expected to continue progressing well. However, sales of units of the project are expected to be slower in FY2021 due to the COVID-19 pandemic.

Overall

The Group has sufficient liquidity to meet its near-term debt obligations and operating needs. Although the Group's business has been affected by the ongoing COVID-19 pandemic, the Group is optimistic that market conditions in Cambodia will recover, given the commencement of vaccination programs in the country. The Group will also continue to exercise prudence in non-essential capital and operating expenditure.

- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast**

No profit forecast is disclosed in this Offer Information Statement.

- 12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

No profit forecast or profit estimate is disclosed in this Offer Information Statement.

- 13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions mentioned in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

No profit forecast is disclosed in this Offer Information Statement.

- 14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –**

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**

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- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

16. Disclose any event that has occurred from the end of –

- (a) the most recently completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.

Save as disclosed in this Offer Information Statement, there is no event that has occurred from 31 December 2020 to the Latest Practicable Date which may have a material effect on the Group's financial position and results.

Meaning of "published"

17. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

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PART 6 – THE OFFER AND LISTING

Offer and Listing Details

1. **Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

The Issue Price of the Rights Shares is S\$0.091 for each Rights Share, payable in full on acceptance and/or application.

The expenses incurred in the Rights Issue will not be specifically charged to subscribers or purchasers of the Rights Shares. The expenses associated with the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue. In the event the gross proceeds are not enough to cover the Rights Issue expenses after repaying the Outstanding Indebtedness, the Company will utilise its internal resources to pay for the expenses incurred in the Rights Issue.

A non-refundable administrative fee will be charged by the Participating Banks for each Electronic Application made through the ATMs of the respective Participating Banks. Such administrative fee shall be borne by the subscribers of the Rights Shares.

2. **If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

Please see above for information on the Issue Price of the Rights Shares. The Shares are, and the Rights Shares will, when issued, be traded on the Main Board of the SGX-ST.

Approval in-principle has been received from the SGX for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to the satisfaction of the conditions prescribed by the SGX-ST. The approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Rights, the Rights Shares, the Group and/or the Shares.

3. **If –**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Save for the Rights Issue, none of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

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As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the sections entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” and “**Offering, Selling and Transfer Restrictions**” of this Offer Information Statement for further information.

4. **If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange –**
- (a) **in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –**
- (i) **for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) **for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**

Not applicable, as the Shares have been listed for quotation on the Main Board of the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.

The highest and lowest market prices and the volume of the Shares traded on the SGX-ST during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 February 2021 to the Latest Practicable Date are as follows:

Month	Price Range		Volume of Shares traded per month/period ('000) ⁽³⁾
	High (S\$) ⁽¹⁾	Low (S\$) ⁽²⁾	
1 February 2021 up to the Latest Practicable Date	0.122	0.100	539
January 2021	0.125	0.112	1,047
December 2020	0.143	0.115	2,801
November 2020	0.140	0.125	824
October 2020	0.147	0.130	526
September 2020	0.225	0.115	16,287
August 2020	0.125	0.115	460
July 2020	0.137	0.123	496
June 2020	0.136	0.125	1,166
May 2020	0.140	0.125	2,650
April 2020	0.140	0.133	622
March 2020	0.174	0.130	3,846
February 2020	0.190	0.174	691

Source: Bloomberg Finance L.P. Bloomberg Finance L.P. has not consented for the purposes of Section 249 of the SFA to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the SFA. While the Company and the Manager have taken reasonable actions to ensure that the above information has been reproduced in their proper form and context, neither the Company, the Manager nor any other party has conducted an independent review of this information nor verified the accuracy of such information.

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Notes:

- (1) High Price was based on the highest closing price for the Shares in a particular month/period.
- (2) Low Price was based on the lowest closing price for the Shares in a particular month/period.
- (3) Volume was based on the total volume of the Shares traded in a particular month/period.

(b) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –

- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

Not applicable, as the Shares have been listed for quotation on the Main Board of the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.

(c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and

No significant trading suspension of the Shares has occurred on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.

(d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.

Not applicable. The Shares are regularly traded on the SGX-ST. Please refer to paragraph 4(a) of the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing**” of this Offer Information Statement, for the volume of Shares traded during each of the last 12 calendar months immediately preceding the Latest Practicable Date.

5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –

- (a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and**
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.**

The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares.

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The issue of the Rights Shares is made pursuant to the authority granted under the Rights Issue Resolution and Whitewash Resolution approved by Shareholders and the Independent Shareholders at the EGM held on 23 February 2021 respectively.

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

Basis of Provisional Allotment

The Rights Issue is made on a renounceable and non-underwritten basis to Entitled Shareholders on the basis of four (4) Rights Shares for every three (3) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the Company's then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls on or before the date of allotment and issue of the Rights Shares. Based on the Existing Share Capital, up to 295,910,922 Rights Shares will be issued.

Entitled Shareholders

Entitled Shareholders are at liberty to accept, decline or renounce their Rights and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors are also able to trade their Rights on the SGX-ST during the Rights trading period prescribed by the SGX-ST. For the avoidance of doubt, only Entitled Shareholders (and not purchasers of the provisional allotments or renounces of Entitled Shareholders) shall be entitled to apply for Excess Rights Shares.

Fractional entitlements to the Rights Shares will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy excess applications for Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and 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 (direct or through a nominee) on the Board of Directors will rank last in priority for rounding of odd lots and allotment of Excess Rights Shares.

Foreign Shareholders

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the sections entitled "**Eligibility of Shareholders to Participate in the Rights Issue**" and "**Offering, Selling and Transfer Restrictions**" of this Offer Information Statement for further details.

7. **Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**

The Rights Issue is not underwritten by a financial institution.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

The Undertaking Shareholder has an interest (directly and indirectly) in 46,660,066 Shares, representing 21.0% of the Existing Share Capital. The Undertaking Shareholder's two sons, Ong Jia Ming and Ong Jia Jing, and the Undertaking Shareholder's wife, Ms. Lau are interested (directly and indirectly) in 8,828,471 Shares, 4,457,500 Shares and 4,066 Shares, representing approximately 4.0%, 2.0% and 0.002% of the Existing Share Capital, respectively. Apart from Ong Jia Ming, Ong Jia Jing and Ms. Lau, the Undertaking Shareholder does not have any other concert parties who hold Shares.

To show his support for the Rights Issue and to demonstrate his commitment to and confidence in the prospects of the Group, the Undertaking Shareholder has provided the Irrevocable Undertaking to the Company that he will subscribe and pay in full for his *pro rata* entitlement of the Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders) and Excess Rights Shares (subject to availability), under the Rights Issue, subject to the Maximum Subscription Amount. Based on the Issue Price of S\$0.091 for each Rights Share, the maximum number of Rights Shares and Excess Rights Shares (subject to availability) to be subscribed for by the Undertaking Shareholder pursuant to the Irrevocable Undertaking are 62,208,000 Rights Shares and 96,141,771 Excess Rights Shares, respectively.

For the avoidance of doubt, the terms of the Irrevocable Undertaking provide that the Undertaking Shareholder will subscribe for his *pro rata* entitlement of the Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders) and Excess Rights Shares (subject to availability), subject always to the condition that 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 (direct or through a nominee) on the Board will rank last in priority in the rounding of odd lots and allotment of Excess Rights Shares.

The Irrevocable Undertaking is subject to and conditional upon, amongst others, the satisfaction of the following:

- (a) the satisfaction or waiver of the following conditions precedent:
 - (i) the receipt of the listing and quotation notice from the SGX-ST for the dealing in and listing of and quotation for the Rights Shares on the Main Board of the SGX-ST and such approval not having been withdrawn or revoked on or prior to the date of completion of the Rights Issue;
 - (ii) the lodgement of this Offer Information Statement, together with all other necessary accompanying documents, with MAS;
 - (iii) the Whitewash Waiver granted by the SIC not having been withdrawn, revoked or amended, and all conditions to which the Whitewash Waiver is subject having been fulfilled, as at the date of completion of the Rights Issue;
 - (iv) the approvals of the Shareholders and the Independent Shareholders for the Rights Issue Resolution and the Whitewash Resolution, respectively; and
 - (v) all other necessary waivers, consents and approvals from, amongst others, the SGX-ST and other third parties in connection with the Rights Issue having been obtained; and
- (b) all other third party approvals or consents which the Company reasonably determines are necessary to implement the Rights Issue, having been obtained either unconditionally or on conditions satisfactory to the Company acting reasonably and not having been withdrawn or revoked.

In view of the Irrevocable Undertaking by the Undertaking Shareholder, the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees, and there being no minimum amount that must be raised from the Rights Issue, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART 7 – ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

- (a) **state the date on which the statement was made;**
- (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
- (c) **include a statement that the expert has given, and has not withdrawn, his or her written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

3. **The information mentioned in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

SAC Capital Private Limited, as Manager for the Rights Issue, has given, and has not, before the lodgment of this Offer Information Statement with the MAS, withdrawn its written consent to being named in this Offer Information Statement as the Manager for the Rights Issue and to the issue of this Offer Information Statement with the inclusion of its name and all references thereto, in the form and context in which it appears in this Offer Information Statement.

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**

- (a) **the relevant entity's business operations or financial position or results; or**
- (b) **investments by holders of securities or securities-based derivatives contracts in the relevant entity.**

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Save as disclosed in this Offer Information Statement, to the best of their knowledge having made due enquiry, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations, financial position or results or investments by holders of securities or securities-based derivatives contracts in the Company.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART 10 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE

1. Provide –

(a) the particulars of the rights issue;

Please refer to the section entitled “**Summary of the Rights Issue**” of this Offer Information Statement for particulars of the Rights Issue.

(b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

Tuesday, 16 March 2021 at 5:00 p.m.

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for more details.

(c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

Monday, 22 March 2021 at 5:00 p.m. for applications made through CDP or the Share Registrar.

Monday, 22 March 2021 at 9:30 p.m. for Electronic Applications through ATMs of Participating Banks.

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for more details.

(d) the last day and time for renunciation of and payment by the renounee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

Monday, 22 March 2021 at 5:00 p.m. for applications made through CDP or the Share Registrar.

Monday, 22 March 2021 at 9:30 p.m. for Electronic Applications through ATMs of Participating Banks.

Entitled Depositors who wish to renounce their Rights in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights.

(e) the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, in particular Appendices A, B and C to this Offer Information Statement and in the ARE, the ARS and the PAL.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

- (f) **the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**

Please refer to paragraph 7 of the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing**” of this Offer Information Statement, for details of the terms of the Irrevocable Undertaking.

- (g) **if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**

In view of the Irrevocable Undertaking by the Undertaking Shareholder, the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees, and there being no minimum amount that must be raised from the Rights Issue, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUE UNDER
APPENDIX 8.2 OF THE LISTING MANUAL**

Review of Working Capital

1. **Provide a review of the working capital for the last three financial years and the latest half year, if applicable.**

The working capital of the Group as at 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020 were as follows:

	As at 31 December 2017 S\$'000 (Audited & Restated)	As at 31 December 2018 S\$'000 (Audited)	As at 31 December 2019 S\$'000 (Audited)	As at 31 December 2020 S\$'000 (Unaudited)
Total current assets	29,818	54,294	59,457	72,567
Total current liabilities	13,535	7,690	10,818	13,675
Working capital	16,283	46,604	48,639	58,892

Source: Annual reports of the Company for FY2018 and FY2019 and the unaudited full year financial results announcement for FY2020.

A review of the working capital position of the Group as at 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020 is set out below.

FY2020 (Unaudited) versus FY2019 (Audited)

The Group's working capital increased by approximately S\$10.3 million from approximately S\$48.6 million as at 31 December 2019 to approximately S\$58.9 million as at 31 December 2020. This was mainly due to an increase in current assets of approximately S\$13.1 million, offset by an increase in current liabilities of approximately S\$2.9 million.

Current assets increased by approximately S\$13.1 million from approximately S\$59.5 million as at 31 December 2019 to approximately S\$72.6 million as at 31 December 2020 mainly due to an increase in prepayments on acquisition of freehold land, partially offset by a decrease in cash and bank balances, trade receivables and assets classified as held for sale. The decrease in trade receivables was due to a decrease in balances due from buyers of D'Seaview units. The decrease in assets classified as held for sale was due to the sale of a land parcel in Cambodia.

Current liabilities increased by approximately S\$2.9 million from approximately S\$10.8 million as at 31 December 2019 to approximately S\$13.7 million as at 31 December 2020 mainly due to an increase in other payables and accruals, and bank loans, partially offset by a decrease in trade payables. The increase in bank loans was due to new bank loans raised for working capital purposes. The increase in other payables and accruals was due to increase in collection of strata title transfer fees from buyers of D'Seaview units. The decrease in trade payables was due to a decrease in progressive claims from contractors arising from the completion of the D'Seaview project in FY2020.

FY2019 (Audited) versus FY2018 (Audited)

The Group's working capital increased by approximately S\$2.0 million from approximately S\$46.6 million as at 31 December 2018 to approximately S\$48.6 million as at 31 December 2019. The was mainly due to an increase in current assets of approximately S\$5.2 million, offset by an increase in current liabilities of approximately S\$3.1 million.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUE UNDER APPENDIX 8.2 OF THE LISTING MANUAL

Current assets increased by approximately S\$5.2 million from approximately S\$54.3 million as at 31 December 2018 to approximately S\$59.5 million as at 31 December 2019 mainly due to an increase in trade receivables, other receivables and deposits, prepayments and development properties, partially offset by a decrease in cash and bank balances. The increase in trade receivables was due to unbilled receivable (contract assets) of our property sales in Cambodia. The increase in development properties was due to the capitalising of development costs.

Current liabilities increased by approximately S\$3.1 million from approximately S\$7.7 million as at 31 December 2018 to approximately S\$10.8 million as at 31 December 2019 mainly due to an increase in bank loans and other payables and accruals. The increase in bank loans was due to a breach in loan covenant resulting in the reclassification of non-current bank loans to current bank loans. As a result, the total sum outstanding as at 31 December 2019 was reclassified as current liabilities. The increase in other payables and accruals was due to an increase in contract liabilities.

FY2018 (Audited) versus FY2017 (Audited and restated)

The Group's working capital increase by approximately S\$30.3 million from approximately S\$16.3 million as at 31 December 2017 to approximately S\$46.6 million as at 31 December 2018. The was mainly due to an increase in current assets of approximately S\$24.5 million and a decrease in current liabilities of approximately S\$5.8 million.

Current assets increased by approximately S\$24.5 million from approximately S\$29.8 million as at 31 December 2017 to approximately S\$54.3 million as at 31 December 2018 mainly due to an increase in cash and bank balances, trade receivables, investment securities and development properties, partially offset by a decrease in biological assets. The increase in cash and bank balances was due to proceeds from disposal of investment properties and proceeds from disposal of assets classified as held for sale. The increase in trade receivables was due to unbilled receivable (contract assets) of our property sales in Cambodia. The increase in investment securities was due to investments in quoted securities. The increase in development properties was due to the capitalising of development costs. The decrease in biological assets was due to loss on fair value of biological assets.

Current liabilities decreased by approximately S\$5.8 million from approximately S\$13.5 million as at 31 December 2017 to approximately S\$7.7 million as at 31 December 2018 mainly due to a decrease in bank loans and overdraft, trade payables and other payables and accruals. The decrease in bank loans and overdraft was due to repayment of bank loans. The decrease in trade payables was due to reduction in progressive claims from contractors and accruals for unbilled contractor progressive claims. The decrease in other payables and accruals was due to deposits collected upon signing of the sale and purchase agreement for the disposal of assets classified as held for trading in FY2017.

Manager's Responsibility Statement

2. **A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.**

As provided in Appendix 8.2 of the Listing Manual, this requirement is not applicable if an issuer has to comply with the offer information statement requirements in the SFA.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SFG Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded).

The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for Excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank or through an accepted electronic payment services (such as PayNow) or electronic service delivery networks (“**Accepted Electronic Service**”)) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR ACCEPTED ELECTRONIC SERVICE. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 1.5 Details on the acceptance for provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares are set out in paragraphs 2 to 4 of this Appendix A.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix B of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

Instructions for Electronic Applications through an Accepted Electronic Service are set out in the ARE.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, HE WOULD HAVE IRREVOCABLY AUTHORISED THE RELEVANT BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR AN ACCEPTED ELECTRONIC SERVICE, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/ Banker's Draft; and

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **HONG LAI HUAT GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**, so as to arrive not later than **5:00 P.M. ON 22 MARCH 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — HONG LAI HUAT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SFG Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix A which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) Complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 of this Appendix A above to CDP; or
- (b) Accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraphs 2.1 or 2.3 of this Appendix A above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by the Notification and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by the Notification and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, the ARS, the Notification and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. You may obtain a copy from CDP or the Share Registrar. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 of this Appendix A above.

The Notification, this Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Entitled Depositor has 7,500 Shares standing to the credit of his Securities Account as at the Record Date, the Entitled Depositor will be provisionally allotted 10,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

(a) Accept his entire provisional allotment of 10,000 Rights Shares and (if applicable) apply for Excess Rights Shares.

(1) Accept his entire provisional allotment of 10,000 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than **9:30 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

(2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 10,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$910.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore, and made payable to "**CDP — HONG LAI HUAT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by post, at his own risk, in the self-addressed envelope provided to **HONG LAI HUAT GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

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NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- (b) Accept a portion of his provisional allotment of Rights Shares, for example 7,500 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.
- (1) Accept his provisional allotment of 7,500 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than **9:30 p.m. on 22 March 2021**; or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 7,500 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$682.50, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 2,500 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 7,500 provisionally allotted Rights Shares, and reject the balance.
- (1) Accept his provisional allotment of 7,500 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than **9:30 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 7,500 Rights Shares and forward the original signed ARE, together with a single remittance for S\$682.50, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 2,500 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be

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available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank or an Accepted Electronic Service by **9:30 p.m. on 22 March 2021** or if an acceptance is not made through CDP by **5:00 p.m. on 22 March 2021**.

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) **9:30 P.M. ON 22 MARCH 2021 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE.**
- (B) **5:00 P.M. ON 22 MARCH 2021 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SFG SERVICE.**

If acceptance of and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank or an Accepted Electronic Service by **9:30 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix A, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for Excess Right Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate

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all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application, as the case may be, will be refunded to such Entitled, 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 crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service), the receipt by such banks being a good

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

discharge to the Company and CDP of their obligations, if any, thereunder, or 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 (if they had applied for Excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service and payment of the full amount payable for such Rights Shares is effected by **9:30 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company);
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — HONG LAI HUAT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft is submitted by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **HONG LAI HUAT GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent(s) for the Rights Shares is effected by **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITORS' OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access. Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post or deposited into boxes located at CDP's premises.

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application through an ATM of a Participating Bank, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST and the Company (the "**Relevant Persons**") for the purposes of facilitating his application for the Rights Shares and (if applicable) his application for Excess Rights Shares, and in order for the Relevant Person to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Person in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

6. GUIDE TO RIGHTS APPLICATION

6.1 Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares currently held by you

XX.XXX

This is your *shareholdings as at Record Date*.

Shares as at **XX January 2020** (Record Date)

This is the date to determine your rights entitlements.

Number of Rights Shares provisionally allotted*

XX.XXX

This is your number of rights entitlement.

Issue Price

S\$ X.XX per Rights Shares

This is price that you need to pay when you subscribe for one rights share.

6.2 Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. PayNow Scan the above QR code using your banking app. **Enter in the PayNow reference: XXXX<last 8 digits of your securities account number> e.g. XXXX12345678.** Payment amount must correspond to the number of rights shares subscribed, including excess. Make payment by **9.30 p.m. on XX August 2020.** You do not need to return this form.

This is the last date and time to subscribe for the rights share through ATM and CDP.

2. ATM Follow the procedures set out on the ATM screen of a Participating Bank. Submit your application by **9.30 p.m. on XX August 2020.** Participating Banks are **XXX, XXX and XXX.**

You can apply your rights shares through ATMs of these participating banks.

3. Form Complete section C below and submit this form by **5.00 p.m. on XX August 2020,** together with BANKER'S DRAFT/CASHIER'S ORDER payable to **"CDP- XXXXXX RIGHTS ISSUE ACCOUNT"**. Write your name and securities account number on the back of the Banker's Draft/Cashier's Order.

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

Note:

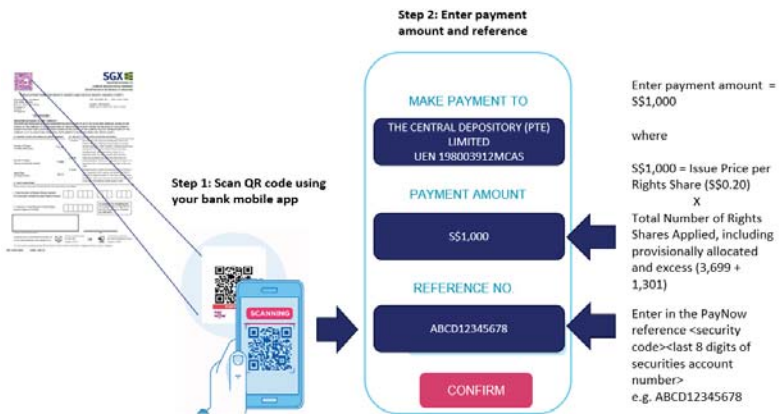
- (1) Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of participating ATM banks and payee name on the Cashier's Order.

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6.3 Application via Paynow

Before you proceed to subscribe for rights via PayNow, please make sure you have set up/have the following:

1. Daily limit to meet your transfer request
2. Notification to alert you on the transfer and refund status
3. Security code, pre-printed on the form under Section B PayNow
4. Last 8 digits of securities account number, pre-printed on the form
5. Payment amount = Issue Price per Rights Share X Total Number of Rights Shares Applied (including provisionally allocated and excess), rounded down to the nearest cent



Note:

1. Please make sure the security code and your last 8 digits of securities account number are entered correctly. CDP will reject the application if it is not a valid security code and/or securities account and arrange for refund to your originating bank account. To be notified on the refund, please turn on the setting in your bank account notifications.
2. You can send up to S\$200,000 per transaction via PayNow capped at your daily fund transfer limit set with your bank, whichever is lower. You can submit multiple PayNow transactions on the same day and across different days if you require to make a payment more than your limit.
3. CDP aggregates payments received on the same day as one instruction.
4. CDP will determine the number of rights applied using total payment received on each day, ignoring resultant fractional cent payable if any.
5. Post allocation, CDP will refund any excess amount to your DCS bank account.

6.4 Application via Form

Declaration

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied: (Provisionally Allotted + Excess Rights Shares)

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ii. Cashier's Order/Banker's Draft Details: (Input last 6 digits of CO / BD)

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Signature of Shareholder(s)

Date

Fill in the total number of the rights shares and excess rights shares (for ARE)/ number of rights shares (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of the CO / BD number (eg.001764) within the boxes.

Sign within the box.

Notes:

- (1) If the total number of rights shares applied exceeds the provisional allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (2) The total number of rights shares applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of rights shares will be appropriated accordingly if the applied quantity exceeds this amount.
- (3) Please note to submit one Cashier's Order per application form.

APPENDIX B – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK

The following contains additional terms and conditions for Electronic Applications in relation to the acceptance, payment and excess application of Rights Shares. In the case of any inconsistency between the terms, conditions and procedures set out in the ATMs of a Participating Bank and the terms, conditions and procedures set out herein, the terms, conditions and procedures set out in such ATMs shall prevail.

The procedures for Electronic Applications through ATMs of Participating Banks are set out on the ATM screens of the relevant Participating Banks.

Please read carefully the terms and conditions of this Offer Information Statement, the procedures for Electronic Applications on the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications set out below before making an Electronic Application through an ATM of a Participating Bank. Any Electronic Application through an ATM of a Participating Bank which does not strictly conform to the instructions set out on the screens of the ATM of a Participating Bank through which the Electronic Application is made will be rejected.

All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of Rights Shares under the Rights Issue and the acceptance of Rights and (if applicable) the application for Excess Rights Shares, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Offer Information Statement.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications through an ATM of a Participating Bank, the procedures for Electronic Applications on the ATM screens of the relevant Participating Banks shall mean the Entitled Depositor or his renounee or the Purchaser of the provisional allotments of Rights Shares who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the Rights Shares through an ATM of a Participating Bank.

An Applicant making an Electronic Application through an ATM of a Participating Bank must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. An ATM card issued by one Participating Bank cannot be used to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares at an ATM belonging to other Participating Banks. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction through an ATM of a Participating Bank, the Applicant will receive an ATM transaction slip, confirming the details of his Electronic Application. The ATM transaction slip is for retention by the Applicant and should not be submitted with any ARE and/or ARS. **An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him by that Participating Bank in his own name. Using his own Securities Account number with an ATM card which is not issued to him by that Participating Bank in his own name will render his acceptance or (as the case may be) excess application liable to be rejected.**

For SRS Investors, investors who hold Shares through finance companies or Depository Agents and CPFIS Members, acceptances of the provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the relevant SRS Approved Banks in which they hold their SRS accounts, their respective finance companies or Depository Agents and their approved CPF agent banks, respectively. Such investors are advised to provide the relevant SRS Approved Banks in which they hold their SRS accounts, their respective finance companies or Depository Agents, or their approved CPF agent banks, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or (if applicable) application made directly through CDP, the Share Registrar, Electronic Applications and/or the Company will be rejected.

APPENDIX B – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotments of Rights Shares must be done through their respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptances of the Rights Shares made by such renounees and Purchasers made directly through CDP, the Share Registrar, Electronic Applications and/or the Company will be rejected.

The Electronic Application through an ATM of a Participating Bank shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

1. In connection with his Electronic Application through an ATM of a Participating Bank for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating his Electronic Application:
 - (a) that he has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and
 - (b) that he authorises the Company, the Participating Banks and the Manager to collect and use, among other things, his name(s), his NRIC number(s) or passport number(s), address(es), nationality(ies), Securities Account number(s), application details and any other information (including personal data) (the “**Relevant Particulars**”) and disclose the same from the records of the Company, the Participating Bank and the Manager to the Share Registrar, CDP, the SGX-ST, the Company, the Manager and any other relevant parties (the “**Relevant Parties**”) as any of the Company, the Participating Banks, the Manager or CDP may deem fit for the purpose of the Rights Issue and his acceptance and (if applicable) application.

His acceptance and (if applicable) application will not be successfully completed and cannot be recorded as a completed transaction unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM of a Participating Bank. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by the Participating Bank of the Relevant Particulars to the Relevant Parties.

2. An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank to deduct the full amount payable from his bank account with such bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the ATM transaction slip confirming the details of his Electronic Application, or the number of Rights Shares standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date (whichever is the lesser number). In the event that the Company decides to allot any lesser number of Excess Rights Shares or not to allot any number of Excess Rights Shares to the Applicant, the Applicant agrees to accept the Company’s decision as final and binding.

APPENDIX B – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK

4. If the Applicant's Electronic Application through an ATM of a Participating Bank is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key, as the case may be, on the ATM screen of a Participating Bank) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied for that may be allotted to him.
5. In the event that the Applicant accepts the Rights Shares both by way of the ARE and/or the ARS (as the case may be) and also by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS, by way of the acceptance through Electronic Application through an ATM of a Participating Bank which he has authorised or deemed to have authorised to be applied towards the payment in respect of his acceptance.
6. If applicable, in the event that the Applicant applies for Excess Rights Shares both by way of the ARE and also by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE and by way of application through Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Excess Rights Shares which the Applicant has given valid instructions for the application of, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE or by way of application through Electronic Application through an ATM of a Participating Bank, which he has authorised or deemed to have authorised to be applied towards the payment in respect of his application.
7. The Applicant irrevocably requests and authorises the Company to:
 - (a) register or to procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application through an ATM of a Participating Bank in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within three (3) business days after the commencement of trading of the Rights Shares; and

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- (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application through an ATM of a Participating Bank for Excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with the relevant Participating with the relevant amount within three (3) business days after the commencement of trading of the Rights Shares.
8. **BY MAKING AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS A NOMINEE OF ANY OTHER PERSON.**
9. The Applicant irrevocably agrees and acknowledges that his Electronic Application through an ATM of a Participating Bank is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Company, the Share Registrar, the Manager and any events whatsoever beyond the control of CDP, the Participating Banks, the Company, the Share Registrar, the Manager, and if, in any such event, CDP, the Participating Banks, the Company, the Share Registrar, the Manager do not record or receive the Applicant's Electronic Application through an ATM of a Participating Bank by **9:30 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application through an ATM of a Participating Bank and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Company, the Directors, the Share Registrar, the Manager and their respective officers for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
10. **Electronic Applications may only be made through ATMs of Participating Banks from Mondays to Saturdays between 7:00 p.m. to 9:30 p.m., excluding public holidays.**
11. Electronic Applications through ATMs of Participating Banks shall close at **9:30 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
12. All particulars of the Applicant in the records of the relevant Participating Bank at the time he makes his Electronic Application through an ATM of the relevant Participating Bank shall be deemed to be true and correct and the relevant Participating Bank, the Company and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application through an ATM of the relevant Participating Bank, the Applicant shall promptly notify the relevant Participating Bank.
13. The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he makes his Electronic Application through an ATM of the relevant Participating Bank, failing which his Electronic Application will not be completed. Any Electronic Application made through ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
14. Where an Electronic Application through an ATM of a Participating Bank is not accepted, it is expected that the full amount of the acceptance/application monies will be returned or refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within three (3) business days after the commencement of trading of the Rights Shares. An Electronic Application through an ATM of a Participating Bank may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.

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15. In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9:30 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application through an ATM of a Participating Bank, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP, the Participating Banks, the Share Registrar or the Manager shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 of this Appendix B above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after his acceptance of the provisionally allotted Rights Shares and (if applicable) his application for Excess Rights Shares;
 - (e) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement and/or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
16. The Applicant should ensure that his personal particulars as recorded by CDP, the relevant Participating Banks and the Company are correct and identical; otherwise, his Electronic Application through an ATM of a Participating Bank may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
17. The existence of a trust will not be recognised. Any Electronic Application through an ATM of a Participating Bank by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
18. In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of the ARE and/or the ARS and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded, without

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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) by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST** to his mailing address as maintained in the records of CDP or in such other manner as he may have agreed with CDP for the payment of any cash distribution **AT HIS OWN RISK** if he accepts and (if applicable) applies through CDP; and/or
 - (b) by crediting the Applicant's bank account with the Participating Bank **AT HIS OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge of the Company's, the Manager's and CDP's obligations.
19. The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotments of Rights Shares which he can validly accept, the Company and/or CDP are entitled, and the Applicant hereby authorises the Company and/or CDP, to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotments of Rights Shares which the Applicant has validly accepted, whether under the ARE and/or the ARS or any other form of application (including an Electronic Application through an ATM of a Participating Bank) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotments of Rights Shares standing to the credit of the "Free Balance" of the Applicant's Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotments of Rights Shares which has been disposed of by the Applicant.

The Applicant hereby acknowledges that the Company's and/or CDP's determination shall be conclusive and binding on him.

20. The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application through an ATM of that Participating Bank is made in respect of the provisional allotments of Rights Shares accepted by the Applicant and (if applicable) the Excess Rights Shares which the Applicant has applied for.
21. With regard to any acceptance, (if applicable) application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or Excess Rights Shares in relation to the Rights Issue, or where the "Free Balance" of the Applicant's Securities Account is not credited with, or is credited with less than, the relevant number of Rights Shares subscribed as at the Closing Date, or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an acceptance and/or application by the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, (if applicable) application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.

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22. The Company and/or CDP shall be entitled to process each application submitted for the acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Applicant, on its own, without regard to any other application and payment that may be submitted by the same Applicant. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

APPENDIX C – PROCEDURES FOR APPLICATION, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

- 1.1 Entitled Scripholders are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:

PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

- 1.2 The provisional allotment of the Rights Shares is governed by the terms and conditions of this Offer Information Statement, the PAL and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their provisional allotments of Rights Shares under the Rights Issue.
- 1.3 Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments of Rights Shares are set out in this Offer Information Statement as well as the PAL.
- 1.4 With regard to any acceptance of the provisional allotments of Rights Shares, (if applicable) application for Excess Rights Shares and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the terms and conditions of this Offer Information Statement, or in the case of an acceptance and/or application by the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or the Share Registrar may, at their/its absolute discretion, reject or treat as invalid any such acceptance, (if applicable) application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.
- 1.5 The Company and/or the Share Registrar shall be entitled to process each application submitted for the acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares.
- 1.6 **Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.**

APPENDIX C – PROCEDURES FOR APPLICATION, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

- 1.7 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the PAL has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotments of Rights Shares or to accept any part of it and decline the balance, should:

- (i) complete and sign the Form of Acceptance (Form A) for the number of Rights Shares which he wishes to accept; and
- (ii) forward **AT THE SENDER'S OWN RISK**, by post in the self-addressed envelope provided, the PAL in its entirety, duly completed and signed, together with a single remittance for the full amount due and payable on acceptance in the manner hereinafter prescribed to **HONG LAI HUAT GROUP LIMITED C/O THE SHARE REGISTRAR, B.A.C.S PRIVATE LIMITED, 8 ROBINSON ROAD #03-00 ASO BUILDING SINGAPORE 048544** so as to arrive not later than **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2 Insufficient Payment

The attention of the Entitled Scripholder is also drawn to paragraph 2.3 of this Appendix C below entitled "Appropriation" which sets out the circumstances and manner in which the Company and/or the Share Registrar shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotments of Rights Shares, he acknowledges that, the Company and/or the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the provisional allotments of Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore.

3. REQUEST FOR SPLITTING (FORM B) AND FORM OF RENUNCIATION (FORM C)

- 3.1 Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed and signed Request for Splitting (Form B) together with the PAL in its entirety should then be returned, by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **HONG LAI HUAT GROUP LIMITED C/O THE SHARE REGISTRAR, B.A.C.S PRIVATE LIMITED, 8 ROBINSON ROAD #03-00 ASO BUILDING SINGAPORE 048544**, not later than **5:00 p.m. on 16 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be

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issued to Entitled Scripholders if Form B together with the PAL in its entirety is received after **5:00 p.m. on 16 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- 3.2 The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce may be renounced by completing and signing the Form of Renunciation (Form C) before delivery to the renounee. Entitled Scripholders should complete and sign the Form of Acceptance (Form A) of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any. The said Split Letter(s) together with the remittance for the payment (if required) in the prescribed manner should be forwarded to **HONG LAI HUAT GROUP LIMITED C/O THE SHARE REGISTRAR, B.A.C.S PRIVATE LIMITED, 8 ROBINSON ROAD #03-00 ASO BUILDING SINGAPORE 048544** so as to arrive not later than **5:00 p.m. on 16 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.3 Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete and sign the Form of Renunciation (Form C) for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounees. **Entitled Scripholders are to deliver this Offer Information Statement to the renounees together with the PAL.**

4. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

- 4.1 The renounee(s) should complete and sign the Form of Nomination (Form D) and forward the Form of Nomination (Form D), together with the PAL in its entirety, duly completed and signed, and a single remittance for the full amount due and payable in the prescribed manner by post **AT HIS OWN RISK**, in the self-addressed envelope provided, to **HONG LAI HUAT GROUP LIMITED C/O THE SHARE REGISTRAR, B.A.C.S PRIVATE LIMITED, 8 ROBINSON ROAD #03-00 ASO BUILDING SINGAPORE 048544**, so as to arrive not later than **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 4.2 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing the Form of Acceptance (Form A) and the Consolidated Listing Form in the Form of Nomination (Form D) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in the Form of Nomination (Form D) of only one (1) PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO THE FORM OF ACCEPTANCE (FORM A) OR THE FORM OF NOMINATION (FORM D) (AS THE CASE MAY BE).**

5. PAYMENT

- 5.1 Payment in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**HONG LAI HUAT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed PAL and remittance should be addressed and forwarded, by post in the self-addressed envelope provided and **AT THE**

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SENDER'S OWN RISK, to HONG LAI HUAT GROUP LIMITED C/O THE SHARE REGISTRAR, B.A.C.S PRIVATE LIMITED, 8 ROBINSON ROAD #03-00 ASO BUILDING SINGAPORE 048544 so as to arrive not later than **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

- 5.2 If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and will forthwith lapse and become void and cease to be capable of acceptance and such provisional allotments of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST AND AT THE RISK OF THE ENTITLED SCRIPHOLDERS OR THEIR RENOUNCEE(S), AS THE CASE MAY BE**, 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.

6. EXCESS RIGHTS SHARES APPLICATION FORM (FORM E)

Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) and forwarding it together with the PAL in its entirety with a **separate single** remittance for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out in paragraph 5 of this Appendix C above, by post in the self-addressed envelope provided **AT THEIR OWN RISK, to HONG LAI HUAT GROUP LIMITED C/O THE SHARE REGISTRAR, B.A.C.S PRIVATE LIMITED, 8 ROBINSON ROAD #03-00 ASO BUILDING SINGAPORE 048544** so as to arrive not later than **5:00 p.m. on 22 March 2021** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- 6.1 The Excess Rights Shares available for application are subject to the terms and conditions contained in the PAL, the Excess Rights Shares Application Form (Form E), this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares, the aggregated fractional entitlements to the Rights Shares, the unsold "nil-paid" provisional allotments of Rights Shares (if any) of Ineligible Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, the Excess Rights Shares Application Form (Form E), this Offer Information Statement and (if applicable) the Constitution of the Company. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and 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 (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to reject, in whole or in part, any application for Excess Rights Shares without assigning any reason whatsoever.

APPENDIX C – PROCEDURES FOR APPLICATION, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

6.2 If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be returned or refunded to them by the Company 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 ORDINARY POST** to their mailing addresses as maintained in the records of the Company **AT THEIR OWN RISK**.

7. GENERAL

7.1 No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.

7.2 **Entitled Scripholders who are in doubt as to the action they should take should consult their legal, financial, tax or other professional adviser immediately.**

7.3 Upon listing and quotation on the Main Board of the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*", as the same may be amended from time to time. Copies of the above are available from CDP.

7.4 **To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and (if applicable) the Excess Rights Shares that may be allotted to them can be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or (if applicable) apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates will be sent **BY ORDINARY POST** to person(s) entitled thereto **AT HIS OWN RISK**.**

7.5 If the Entitled Scripholders' addresses stated in the PAL are different from their addresses maintained in the records of CDP, they must inform CDP of their updated addresses promptly, failing which the notification letter on successful allotments and other correspondences will be sent to their addresses last registered with CDP.

7.6 A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer (including any applicable fee) in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

**APPENDIX C – PROCEDURES FOR APPLICATION, SPLITTING, RENUNCIATION,
EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS**

- 7.7 **THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**
- 7.8 **THE LAST TIME AND DATE FOR ACCEPTANCES OF AND/OR (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 5:00 P.M. ON 22 MARCH 2021 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**
- 7.9 **Personal Data Privacy**

By completing and delivering the PAL, an Entitled Scripholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.