

HONG LAI HUAT GROUP LIMITED
(Incorporated in Singapore)
(Company Registration No.: 199905292D)

PROPOSED ISSUE OF WARRANTS

1. Introduction

- 1.1 The Board of Directors (“**Directors**”) of Hong Lai Huat Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 26 November 2021 entered into a warrant issuance agreement with Soochow CSSD Capital Markets (Asia) Pte. Ltd. (“**SCCM**”) (the “**Warrant Issuance Agreement**”) whereby in consideration of the payment of S\$800 by SCCM, the Company will, subject to the terms and conditions of the Warrant Issuance Agreement, Deed Poll (as defined herein) and Conditions (as defined herein), issue to SCCM 80 million non-listed and transferable warrants (“**Warrants**”) exercisable within two years from the date of issue of the Warrants (“**Exercise Period**”), with each Warrant carrying the right to subscribe for one (1) new ordinary share in the Company (“**Shares**”) at the following exercise prices (“**Exercise Prices**”): S\$0.30 per Share for the first 20 million Warrants, S\$0.35 per Share for the next 20 million Warrants, S\$0.40 per Share for the next 20 million Warrants and S\$0.45 per Share for the last 20 million Warrants (the “**Proposed Issuance**”).
- 1.2 The Company has engaged SCCM to act as its corporate finance advisor to provide primarily general corporate finance advisory services to the Company with the view to assisting the Company with engaging with institutional investors (the “**Engagement**”).
- 1.3 The Exercise Prices of S\$0.30, S\$0.35, S\$0.40 and S\$0.45 represent premia of approximately 216%, 268%, 321%, 374% respectively to the volume weighted average price of S\$0.095 for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the full market day on 26 November 2021 (which is the date of the Warrant Issuance Agreement).

2. Conditions Precedent

- 2.1 The obligation of the Company to issue the Warrants shall be conditional upon all the following conditions precedent (“**Conditions Precedent**”) having been satisfied:
- (a) the receipt by the Company of the approval-in-principle of the SGX-ST for the listing and quotation of new Shares to be issued arising from the exercise of the Warrants (“**Warrant Shares**”) on the Main Board of the SGX-ST and where such approval-in-principle is subject to conditions, the fulfilment of all such conditions, and such approval-in-principle not having been withdrawn, revoked or amended by the SGX-ST as at the date of completion of the issuance of the Warrants (“**Completion Date**”);
 - (b) the issue of the Warrants not being prohibited by any statute, order, rule or regulation promulgated or issued after the date of the Warrant Issuance Agreement by any applicable legislative, executive or regulatory body or authority of Singapore; and
 - (c) the representations, warranties, confirmations and undertakings made by the Company and SCCM in the Warrant Issuance Agreement shall be true, accurate, complete and not misleading with respect to the subject covered therein when made, and shall be true, accurate, complete and not misleading as at the Completion Date.
- 2.2 If any of the Conditions Precedent is not satisfied by 5.00 p.m. on a date falling sixty (60) days from the date of the Warrant Issuance Agreement or such other date as may be mutually agreed by the Company and SCCM in writing, the Warrant Issuance Agreement shall automatically

terminate with immediate effect and the Company and SCCM shall be released and discharged from their respective obligations under the Warrant Issuance Agreement.

- 2.3 The Company will be submitting an application to the SGX-ST for the listing and quotation of the Warrant Shares on the Main Board of the SGX-ST. The Company will make an announcement when the approval-in-principle for such application is obtained from the SGX-ST.

3. Principal terms of the Warrants

- 3.1 The principal terms of the Warrants are summarised below:

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| Constitution of the warrants | The Warrants will be constituted by a deed poll to be executed by the Company (" Deed Poll ") and are subject to the terms and conditions as set out in the Deed Poll including its schedules (the " Conditions "). |
| Issue size | 80 million Warrants. The Warrants will be issued in four (4) series comprising 20 million Warrants per series. |
| Form of warrants and subscription rights | <p>The Warrants will be issued in registered form.</p> <p>Each Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price at any time during the Exercise Period in accordance with the terms and conditions of the Warrants.</p> <p>The Warrants shall be exercisable in multiple tranches, in whole or in part, at any time during the Exercise Period. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.</p> |
| Subscription Price | S\$800 in aggregate. |
| Exercise Price | <p>Subject to listing rules of the SGX-ST and any adjustment in accordance with the Conditions and the Floor Price (as referred to below), such Floor Price to be maintained always, regardless of any adjustment under the Conditions, in respect of each Warrant, the Exercise Price of each series shall be as follows:</p> <p>(i) The Exercise Price for the first series of 20 million Warrants shall be S\$0.30;</p> <p>(ii) The Exercise Price for the next series of 20 million Warrants shall be S\$0.35;</p> <p>(iii) The Exercise Price for the next series of 20 million Warrants shall be S\$0.40; and</p> <p>(iv) The Exercise Price for the last series of 20 million Warrants shall be S\$0.45.</p> |
| Floor Price | Any adjustment to the Exercise Price under the Conditions shall be subject to a floor price of S\$0.095, which is the weighted average price for trades done on the SGX-ST for the full market day on the date of the Warrant Issuance Agreement. |
| Exercise Period | Subject to the Conditions, the Warrants may be exercised at any time during the period of 2 years, commencing on and including the date of issue of the Warrants (" Issue Date ") and expiring at 5:00 p.m. (Singapore time) on the date immediately preceding 2 years from the |

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| | <p>Issue Date, unless such date is a date on which the Register of Members and/or the Warrant Register is closed or is not a day on which the SGX-ST is open for securities trading ("Market Day"), in which event, the exercise period shall end on the date prior to the closure of the Register of Members and/or the Warrant Register or the immediate preceding Market Day, as the case may be, but excluding such period(s) during which the Warrant Register may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.</p> |
| Listing status and transferability | <p>The Warrants will not be listed and traded on the SGX-ST and shall be transferable subject to the Conditions.</p> |
| Status of Warrant Shares | <p>The Warrant Shares shall rank <i>pari passu</i> in all respects with and carry all rights similar to existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date of which falls before the date of exercise of the Warrants.</p> |
| Termination | <p>In the event that SCCM or the Company terminates the Engagement by issuing a sixty (60) days written notice for a non-performance reason prior to the expiry of the period of twelve months commencing from the date of the letter of Engagement:</p> <p>(a) if the market price of the ordinary shares of the Company ("Shares") (the "Market Price") has not reached S\$0.30 per Share (as may be adjusted in accordance with the Conditions) (the "First Exercise Price") in the period up to the effective date of such termination (the "Relevant Period"), the Warrants shall lapse and cease to be valid on the effective date of such termination without any liability or costs to be incurred on the Company end; and</p> <p>(b) if the Market Price has reached the First Exercise Price in the Relevant Period, the Warrants shall continue to be exercisable for a period of two years which is calculated from the Issue Date and shall lapse and cease to be valid thereafter.</p> |
| Adjustments | <p>The Exercise Prices and the number of Warrants will be subject to adjustments under certain circumstances prescribed in the Conditions. Such circumstances include capitalisation issues, certain capital distributions, rights issues and any consolidation, subdivision, bonus issue, reclassification or conversion of Shares.</p> <p>The specific adjustment formulae are set out in Condition 5.2 of the Conditions, as follows:</p> <p>5.2.1 If and whenever the Company shall make any issue of Shares to its Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) the Exercise Price and the number of Warrants held by each Warranholder shall be adjusted in the following manner:</p> $\text{New Exercise Price} = \frac{A}{A+B} \times P$ $\text{Adjusted number of Warrants} = \frac{A+B}{A} \times W$ |

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

P = existing Exercise Price; and

W = existing number of Warrants held (as may be adjusted from time to time in accordance with these Conditions).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 5, "**record date**" in relation to the relevant event means the date as at the close of business on which Shareholders must be registered as such to participate therein.

5.2.2 If and whenever:

(a) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(b) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares,

then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C-D}{C} \times P$$

and in respect of each case referred to in Condition 5.2.2(b) above, the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{C}{C-D} \times W$$

where:

C = the average of the Last Deal Prices for the five (5) consecutive Market Days immediately before the date on which the Capital Distribution (as defined below), or any offer or invitation referred to in Condition 5.2.2(b) above, as the case may be, is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution (as defined below) or, as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 5.2.2(b) above, the value of the rights attributable to one (1) Share (as defined below); or (ii) in the case of any other event falling within Condition 5.2.2 above, the fair market value, as determined by an Approved Bank (with the concurrence of the Auditors) in accordance with Condition 5.12, of that portion of the Capital Distribution (as defined below) attributable to that one (1) Share or of the nil paid rights attributable to one (1) Share;

P = as in P above; and

W = as in W above.

For the purpose of definition (i) of "D" above, the "**value of the rights attributable to one (1) Share**" shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

where:

C = as in C above;

E = the subscription price for one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights; and

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or

subscribe for one (1) additional Share by way of rights.

For the purposes of Conditions 5.1.2 and 5.2.2(a) above, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5.2.1) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 5.2.2.

5.2.3 If and whenever the Company makes any allotment to its Shareholders as provided in Condition 5.2.1 above and also makes any offer or invitation to its Shareholders as provided in Condition 5.2.2(b) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(G \times C) + (H \times E)}{(G + H + B) \times C} \times P$$

$$\text{Adjusted number of Warrants} = \frac{(G + H + B) \times C}{(G \times C) + (H \times E)} \times W$$

where:

B = as in B above;

C = as in C above;

E = as in E above;

G = the aggregate number of issued and fully paid-up Shares on the record date;

H = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

P = as in P above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the

Market Day next following the closing date for the above transactions.

For the purposes of this Condition 5, “**closing date**” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

5.2.4 If and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Conditions 5.2.2(b) or 5.2.3, and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend,) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than eighty per cent. (80%) of the average Last Dealt Price on the SGX-ST for the five (5) consecutive Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the prior Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{M+N}{M+O} \times P$$

where:

M = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

N = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such average Last Dealt Price for the five (5) consecutive Market Days immediately preceding the date on which the issue price of such Shares is determined (exclusive of expenses);

O = the aggregate number of Shares so issued; and

P = as in P above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day before the date on which the issue is announced, or (failing any such announcement) before the date on which the Company determines the offering price of such Shares.

For the purpose of Conditions 5.1.4 and 5.2.4, the “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an Approved Bank in accordance with Condition 5.12 and shall be the aggregate consideration receivable by the Company on payment in full for such Shares, without any deduction of any commissions, discounts or expenses paid, allowed or incurred in

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| | <p>connection with the issue thereof, and the “Total Effective Consideration for each Share” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.</p> <p>5.2.5 If, and whenever, consolidation, subdivision, reclassification or conversion of the shares occurs (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves), the Exercise Price and the number of Warrants shall be adjusted in the following manner:</p> $\text{New Exercise Price} = \frac{J}{K} \times P$ <p>and the number of Warrants shall be adjusted in the following manner:</p> $\text{Adjusted number of Warrants} = \frac{K}{J} \times W$ <p>where:</p> <p>J = the aggregate number of issued and fully paid-up Shares immediately before such consolidation, subdivision, reclassification or conversion;</p> <p>K = the aggregate number of issued and fully paid-up Shares immediately after such consolidation, subdivision, reclassification or conversion;</p> <p>P = as in P above; and</p> <p>W = as in W above,</p> <p>such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation, subdivision or conversion becomes effective.</p> <p>5.15 The Company shall not undertake any adjustment to the Exercise Price under the Conditions which would have the effect of reducing the Exercise Price to below the floor price of S\$0.095, which is the weighted average price for trades done on the SGX-ST for the full market day on the date of the Warrant Issuance Agreement.</p> |
| Notice of Expiry | <p>The Company shall, not later than one (1) month before the last day of the Exercise Period (“Expiration Date”), announce the Expiration Date on SGXNet and give notice to the holders of the Warrants (“Warrantholders”) in accordance with Conditions, of the Expiration Date. The Company shall notify the Warrantholders in writing of the Expiration Date and such notice shall be delivered in accordance with Conditions.</p> |
| Winding up | <p>If prior to the expiry of the Warrants, an effective resolution is passed for a members' voluntary winding up of the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warrantholders by way of a special resolution, the terms of such scheme of arrangement shall be binding</p> |

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| | <p>on all the Warrantheolders and all persons having an interest in the Warrants.</p> <p>In any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warrantheolder shall be entitled upon and subject to the Deed Poll and the Conditions, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his warrant certificate(s) to the Company with the exercise notice(s) duly completed, together with all payments payable under the Conditions, to elect to be treated as if he had had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warrantheolders in accordance with the Deed Poll and the Conditions of the passing of any such resolution within seven (7) days after the passing thereof.</p> <p>Subject to the foregoing, if the Company is wound up for any other reasons, all Warrants which have not been exercised at the date of the passing of such resolution above shall lapse and the Warrants shall cease to be valid for any purpose.</p> |
| Modifications | <p>For so long as the listing rules of the SGX-ST so require, no material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warrantheolders shall be made unless first approved by the shareholders of the Company in general meeting, except where the alteration is made pursuant to the terms of the Warrants. For so long as the listing rules of the SGX-ST so require, the Company shall promptly announce any alteration to the terms of the Warrants on the website of the SGX-ST.</p> <p>For so long as the listing rules of the SGX-ST so require, the Company shall not:</p> <ul style="list-style-type: none"> (a) extend the Exercise Period; or (b) issue new warrants to replace the Warrants. <p>For so long as the listing rules of the SGX-ST so require, the Company shall not:</p> <ul style="list-style-type: none"> (a) change the Exercise Price; or (b) change the exercise ratio of the Warrants, <p>except where adjustments are made pursuant to the Conditions.</p> |
| Governing Law | <p>The Warrants and the Deed Poll (including the Conditions) are governed by and shall be construed in accordance with the laws of Singapore.</p> |

3.2 The terms and conditions of the Warrants are set out in full in the Deed Poll.

4. Compliance and confirmation

- 4.1 The Proposed Issuance is non-underwritten and there is no placement agent appointed for the purpose of the Proposed Issuance.
- 4.2 The Proposed Issuance is undertaken pursuant to Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Issuance.
- 4.3 No commission or introducer's fee is payable by the Company to any person in relation to the Proposed Issuance.
- 4.4 No share borrowing arrangement has been entered into to facilitate the Proposed Issuance.
- 4.5 Assuming the Warrants are exercised in full, the Warrant Shares represent approximately 15.45% of the Company's existing 517,844,114 issued Shares as at the date of this announcement, and approximately 13.38% of the aggregate 597,844,114 issued Shares taking into account the Warrant Shares. The issuance of the Warrant Shares arising from the exercise of the Warrants in full will not result in a transfer of controlling interest in the Company.
- 4.6 SCCM has confirmed to the Company that:
- (a) save for the Engagement, neither SCCM nor any of its directors or substantial shareholders have any interest in or connection (including any business relationship) with the Company or any of its subsidiaries, directors or substantial shareholders;
 - (b) SCCM is not a person listed under Rule 812(1) of the SGX-ST Listing Manual; and
 - (c) SCCM is not receiving the Warrants in trust or as a nominee or agent.

5. **About SCCM**

SCCM is a holder of a capital markets services licence in Singapore for the activities of dealing in capital markets products and advising on corporate finance, as well as an exempt financial adviser undertaking the activities of advising on investment products and issuing or promulgating analyses/reports on investment products. SCCM's ultimate parent company is SooChow Securities Co., Ltd., a financial services firm which is listed on the Shanghai Stock Exchange.

6. **Rationale**

The Directors believe the issuance of the Warrants is beneficial to the Group in the long run as the Exercise Prices are at significant premia to the current market trading price of the Shares and the funds from the exercise of the Warrants will further strengthen the Group's cash balance to be deployed for ongoing developments and activities in Cambodia.

7. **Use of Proceeds**

- 7.1 No proceeds will be raised from the issue of the Warrants as the Warrants will be issued to SCCM in consideration of the Engagement. If the Warrants are exercised in full at the Exercise Prices (assuming no adjustments are required to be made to the Exercise Prices and/or the number of Warrants issued pursuant to the Conditions), the estimated amount of net proceeds that may be raised (after deducting estimated costs and expenses of S\$700,000) is approximately S\$29,300,000 ("**Net Proceeds**").
- 7.2 The entire Net Proceeds will be used for general working capital purposes.

- 7.3 The Company will make periodic announcements on the use of the Net Proceeds as and when such proceeds are materially disbursed. The Company will provide a status report on the use of the Net Proceeds in the Company's half-year and full-year financial statements issued under Rule 705 of the SGX-ST Listing Manual and the Company's annual reports. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on the use of the proceeds in the announcements and status reports. Where there is any material deviation from the stated use of the Net Proceeds, the Company will disclose the reason(s) for such deviation.
- 7.4 Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit from time to time.

8. Authority for the Proposed Issuance

- 8.1. The Warrants and Warrant Shares will be issued pursuant to the share issue mandate ("**Share Issue Mandate**") that was approved by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 30 April 2021 ("**AGM**"). Pursuant to the Share Issue Mandate, the Directors have the authority to issue Shares and/or make or grant offers, agreements or options (collectively, "**Instruments**") which would or might require Shares to be issued, such that the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the Shareholders must not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM.
- 8.2 As at the date of this announcement, there are no existing options, warrants or other convertibles issued by the Company.
- 8.3 As at the date of the AGM, the Company had a total of 517,844,114 issued Shares. As at the date of this announcement, no Shares have been issued pursuant to the Share Issue Mandate. Accordingly, 258,922,057 Shares may be issued pursuant to the Share Issue Mandate, of which the maximum number of Shares that can be issued other than on a *pro rata* basis is 103,568,823 Shares. Therefore, the 80,000,000 Warrant Shares that may be issued pursuant to the Proposed Issuance falls within the limits of the Share Issue Mandate.

9. Financial Effects

- 9.1 The financial effects of the Proposed Issuance on the share capital of the Company, the net tangible assets ("**NTA**") per Share, the earnings per Share ("**EPS**") and the net gearing (net debt/shareholder equity) ("**Net Gearing**") are prepared for illustrative purposes only and do not purport to reflect the actual future results and financial position of the Group following completion of the Proposed Issuance. The pro forma financial effects have been computed based on the following bases and assumptions:
- (a) the audited accounts of the Group for the year ended 31 December 2020;
 - (b) the Warrants are exercised in full;
 - (c) the estimated costs and expenses of approximately S\$700,000;
 - (d) the effect of the issuance of the Warrant Shares on the NTA per Share is computed based on the assumption that the Proposed Issuance and the exercise of the Warrants were completed on 31 December 2020;

- (e) the effect of the issuance of the Warrant Shares on the EPS is computed based on the assumption that the Proposed Issuance and the exercise of the Warrants were completed on 31 December 2020; and
- (f) the effect of the issuance of the Warrant Shares on the Net Gearing is computed based on the assumption that the Proposed Issuance and the exercise of the Warrants were completed on 31 December 2020.
- (g) the calculations have been adjusted for the Rights issue of 4 Rights shares for every 3 existing Ordinary shares in the issued and paid-up capital of the Company.

9.2 Subject to the above, the share capital, NTA per Share, and EPS and Net Gearing are computed as follows:

| | Before issuance of Warrants | After issuance of Warrants but before issuance of Warrant Shares | After issuance of Warrant Shares |
|---|--------------------------------|---|-------------------------------------|
| Share Capital | S\$121,023,000 | S\$121,023,000 | S\$151,023,000 |
| Number of Shares | 517,844,114 | 517,844,114 | 597,844,114 |
| NTA | S\$144,061,000 | S\$143,361,000 | S\$173,361,000 |
| NTA per Share | 27.82 cents | 27.68 cents | 29.00 cents |
| Number of Shares | 517,844,114 | 517,844,114 | 597,844,114 |
| Loss attributable to owners of the Company | (S\$8,531,000) | (S\$9,231,000) | (S\$9,231,000) |
| EPS | (1.65 cents) | (1.78 cents) | (1.54 cents) |
| Net Debt | S\$23,256,000 | S\$23,256,000 | S\$23,256,000 |
| Equity attributable to owners of the Company | S\$144,061,000 | S\$143,361,000 | S\$173,361,000 |
| Net Gearing | 0.20 times | 0.16 times | 0.13 times |

10. Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Issuance, save through their shareholdings (if any) in the Company.

11. Documents available for inspection

A copy of the Warrant Issuance Agreement (which contains the agreed forms of the Deed Poll and Warrant Agency Agreement) will be available for inspection upon prior appointment and during normal business hours at the Company's registered office at 10 Bukit Batok Crescent, #13-05, The Spire, Singapore 658079 for a period of three (3) months from the date of this announcement.

12. Caution in Trading

12.1 Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Group. There is no certainty or assurance as at the date of this announcement that the Proposed Issuance will proceed or be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Issuance. Shareholders, investors and other persons are advised to read this announcement and any further announcements by the Company carefully. They should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

12.2 For the avoidance of doubt, Shareholders, investors and other persons should note that nothing in this announcement shall be treated as a representation by the Company as to the trading price of the Shares during the Exercise Period or any other period of time.

BY ORDER OF THE BOARD

Ong Jia Jing
Group Executive Director
for and on behalf of
HONG LAI HUAT GROUP LIMITED

Date: 26 November 2021