

## HIAP HUAT HOLDINGS BERHAD ("HHH" OR "THE COMPANY")

**ADDITIONAL INFORMATION IN RELATION TO THE PROPOSED ACQUISITION OF AN INDUSTRIAL LAND ("LAND") WITHIN AN ONGOING DEVELOPMENT PROJECT KNOWN AS PULAU INDAH INDUSTRIAL PARK HELD UNDER MASTER TITLE NO. P.N 112462, LOT NO. 159227, IN THE DISTRICT AND MUKIM OF KLANG, STATE OF SELANGOR DARUL EHSAN FOR A TOTAL CASH CONSIDERATION OF RM11,965,932.00 ("PROPOSED ACQUISITION")**

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We refer to our announcement dated 30 December 2019 ("Announcement") and the query from Bursa Malaysia Securities Berhad ("Bursa Securities") dated 3 January 2020 in relation to the SPA entered between HHCSB and CSSB ("Bursa Query"). Unless otherwise stated, the terms used throughout this announcement shall have the same meanings as defined in the Announcement.

The Board of Directors of HHH wishes to announce the following additional information as required by Bursa Securities pursuant to the Bursa Query:

- 1. The direct and indirect shareholdings of Central Spectrum (M) Sdn Bhd ("CSSB")'s directors in CSSB or a negative statement.**

The directors of CSSB don't have any direct shareholding interest in CSSB or indirect interest through Kumpulan Hartanah Selangor Berhad and Detik Jalur Sdn. Bhd.

- 2. The net book value of the Land based on latest audited financial statements of CSSB.**

CSSB not able to furnish us the information.

- 3. The encumbrances on the Land, if any.**

The Land is free from any encumbrances.

- 4. The schedule of payment for the balance purchase consideration of RM9,572,745.60.**

CSSB has submitted its application for sub-division of the Master title to the relevant State Authority and now pending the issuance of separate individual title to the Lot 61.

CSSB has agrees to issue the progressive claim of RM9,572,745.60 (Balance Purchase Consideration) after individual title to the said Lot is issued by the relevant State Authority and ready for transfer to the HHCSB. This is expected to be completed in August 2020.

- 5. The effect of the Proposed Acquisition on the earnings per share of the Hiap Huat Holdings Berhad Group for the financial year ending 31 December 2020 or a negative statement.**

The proposed acquisition will not have an impact on the earnings per share of Hiap Huat Holdings Berhad Group for financial year ending 31 December 2020.

The construction of the building, oil tanks and warehouse area on the piece of land will commence after HHCSB has obtained the individual title. The construction is expected to be completed in the 2<sup>nd</sup> half of 2021.

Further, there will be no changes in the share capital as the project will be financed by internally generated fund and bank borrowings to be procured by the Company.

**6. The prospects of the Land.**

Pulau Indah Industrial Park(PIIP) is a development project by Central Spectrum Sdn. Bhd., a subsidiary of Kumpulan Hartanah Selangor Berhad which in turn 100% owned by Menteri Besar Selangor (Incorporated).

It will be a model township for business, living and leisure – seamlessly integrating all three aspects into one. The project is adjacent to Westports Malaysia in Port Klang, one of Malaysia leading seaport terminals. With a strategic location amidst matured import and export related industries, connected via integrated transportation system, the development is poised to generate substantial increase in values creation across the value chain. PIIP envisions as a future world-class Import and Export destination in the heart of harbour development of State of Selangor.

Due to its overwhelming response and high demand, PIIP is now expanding into phase 3 of its development. PIIP has attracted not only Royal Malaysian Custom but a host to a number of full-scale factories and amongst others, companies such as IKEA, Federal Flour Mill Berhad, Pos Malaysia Berhad, Central Sugars Refinery Sdn. Bhd., YTL Industrial Bhd.

HHCSB is looking for a new advanced plant to enable it to tap into new scheduled waste market from existing as well as new customers. PIIP location fits perfectly well into our Group's strategic plan.

The close proximity of the location of the said land purchase to our fellow subsidiary, Topmark Petroleum Products Sdn. Bhd. allows potential synergy and further streamlining of the administration expenses with reduction in Group's administration expenses in mind.

**7. Whether any valuation was carried out on the Land; if so, the name of the independent registered valuer, date and method of valuation and quantification of the market value.**

As informed by CSSB, the Land has never been revalued before.

This announcement dated 6 January 2020.