

HENG HUAT RESOURCES GROUP BERHAD (“HENG HUAT”) PROPOSED ACQUISITION OF LAND

We refer to the announcement dated 31 December 2018 in relation to the Proposed Acquisition (“**Announcement**”).

All abbreviations and definitions used herein shall have the same meanings as the words and expressions defined in the Announcement, except where the context otherwise requires or where otherwise defined herein.

The Board wishes to provide the following additional information in relation to the Proposed Acquisition:

1. The net book value of the Land based on latest audited financial statements of the Vendor.

The net book value of the Land on the Vendor’s latest audited accounts for the financial year ended 31 December 2017, is RM1,181,464.

Apart from that, there were other incidental costs incurred on the Land totaling RM646,803, comprising primarily the legal fees and cost for the conversion of land title from agricultural to industrial.

These incidental costs were expensed off when incurred, and thus, are not reflected within the net book value of the Land.

2. The method of valuation performed on 21 December 2018 by Raine & Horne International Zaki +Partners Sdn Bhd on the Land.

Raine & Horne International Zaki +Partners Sdn Bhd adopted the comparison method in preparing its valuation report dated 21 December 2018.

This announcement is dated 4 January 2019.