



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

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FOR IMMEDIATE RELEASE

ENTRY INTO TERM SHEET IN RELATION TO PROPOSED JOINT COOPERATION



(Mr Ong Jia Ming, Executive Director, standing second on the left and Mr Ong Jia Jing, Group General Manager and Executive Director at centre holds up the signed term sheet with Mr Boediman Widjaja, Managing Director of Joe Green Pte Ltd)

SINGAPORE – 22 March 2021 - SGX Mainboard Listed **Hong Lai Huat Group Limited** (the “**Company**”) together with its subsidiaries, (“the **Group**”) wishes to announce that the Group’s wholly owned subsidiary, HLH Agriculture (Cambodia) Co., Ltd (“**HLHA**”) has entered into a joint cooperation term sheet with Joe Green Pte Ltd (“**Joe Green**”) for granting the right to Joe Green’s licensee to develop a Light-Weight Concrete Panel Manufacturing Plant in the construction material zone located in its Aoral Eco City project in the Kingdom of Cambodia. (the “**Aoral Eco-City project**”).

The Group had announced on 9th March 2021, that HLHA had obtained the In-principle approval to developed an Eco-City on its existing plot of land which is located around 100km away from Phnom Penh, the capital city of Cambodia.

Joe Green is a manufacturer of environmental-friendly light weight precast concrete hollow core wall panels for use in the building and construction industry as well as other related accessories. Headquartered in Singapore, Joe Green’s manufacturing plant is presently located in Johor Bahru, Malaysia, covering more than 50% of the market share in precast concrete hollow core wall panel market in Singapore based on Joe Green’s management’s estimation.



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Distributed under the trademark "JOE Green", the light weight precast concrete wall panels of Joe Green are produced with at least 30% recycled concrete aggregates ("RCAs") and other hardcore waste materials recycled from the demolition of old buildings, construction waste concrete materials and waste from building materials manufacturers. The precast concrete wall panels of Joe Green are certified by Singapore Green Building Council as a Singapore Green Label product, with rating of Industrial Leader (4 Ticks).

Both the Group and Joe Green regard each other as a strategic partner within this Term Sheet and will focus on the following aspects within the next 30 days to enter into a legal binding joint cooperation agreement;

- 1) Subject to regulatory approval, HLHA shall grant the right to Joe Green to use 20,000sqm of land located in its Aoral Eco-City project to develop, build and operate the Light-Weight Concrete Panel Manufacturing Plant.
- 2) The cooperation period shall be for a period of 3 years from the date of entering the binding joint cooperation agreement with the option to extend.
- 3) Joe Green shall have the option at any point of time to expand its existing manufacturing plant by another 100,000sqm for up to 40 years of production period subject to such terms and conditions acceptable by HLHA.
- 4) To supply the light weight concrete panel for the Group's ongoing Property and Real Estate project currently under construction in the Kingdom of Cambodia.
- 5) To create more job opportunities for the locals in connection with the setting up of this strategic partnership.

Hong Lai Huat Group General Manager and Executive Director Mr Ong Jia Jing said "We are pleased to welcome Joe Green, a pioneer with many years of experience in the light weight concrete panel industry as the first company to enter into our Aoral Eco-City project. We believe that this partnership shall be mutually beneficial to both the Group and Joe Green as Cambodia's Property and Real Estate industry is still rapidly developing and growing at an extremely fast pace."

Joe Green Pte Ltd Managing Director Mr Boediman Widjaja said "Hong Lai Huat has many years of experience in the construction, property and real estate industry since 1988 and especially they have been in Cambodia since 2008. This gave us the confidence to partner with Hong Lai Huat and we look forward to establishing our base in the Aoral Eco-City for many years to come."

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