



PRESS RELEASE

HLH Group posts FY2015 nearly six-fold rise in net profit of S\$5.3 million

- Focus on agribusiness and property developments in Cambodia will continue in FY2016

Singapore, 24 Feb 2016 - SGX Mainboard-listed HLH Group Limited ("HLH" or the Group) has posted a net profit of S\$5.3 million for FY2015, up from \$927,000 in the previous financial year.

The bottomline increase was achieved despite a \$1.076 million or 16% fall in group revenue to S\$5.72 million from S\$6.8 million in FY 2014. The group's gross profit saw a 22% increase to \$4.46 million compared to \$3.64 million a year earlier.

The profit surge was mainly attributed to a jump in its other income which rose to \$12.8 million in FY 2015 from \$4.1 million in the previous year, largely due to gains in investment properties which weighed in at \$10 million, up from \$3.34 million the previous year. HLH's property investment portfolio was revalued at \$102 million compared to \$77.9 million in FY 2014. The group also chalked up a foreign exchange gain of \$2.4 million against \$242,000 previously.

Earnings per share rose from 0.139 cents for FY2015 compared to 0.022 cents the previous financial year; while net asset value (NAV) per share at the group level rose to 2.681 cents from 2.425 cents.

Overall cash and cash equivalent stood at \$3.4 million as of 31 Dec 2015 compared to \$5.2 million at the end of FY2014.

Part of the group's net cash outflow was attributed to the the construction of a factory and plant equipment in Cambodia pegged at \$3.3 million. HLH had also acquired a land parcel in Cambodia for development for \$14.4 million in FY2015 and has since launched its first mixed development site, D'Seaview in Sihanoukville in September 2015.

The group intends to launch further developments in other provinces and major cities including Siem Reap and the capital of Phnom Penh in FY 2016, with some 5,000 units comprising prime apartments and executive condominiums in the pipeline.

The HLH's agribusiness arm will meanwhile continue to pursue opportunities with partners and co-investors to cultivate, produce and process cassava or sugarcane as well as source for new farming areas in Cambodia.

It had purchased US\$2.23 million in equipment for the start-up of a new cassava processing and production line with the capacity to produce up to 120 metric tons of cassava starch. This facility will commence production in 2016.

Over in Singapore, HLH has leased out its D'Kranji farm resort to an external party to fetch a regular income.

HLH Group's CEO and Deputy Chairman, Dr Johnny Ong noted, "The bulk of our business thrust is currently directed at Cambodia as we are optimistic about prospects in the country which has continued to open its doors to foreign investors and businesses.

"We have recently awarded our first piling contract worth S\$2.4 million to MCCO (Cambodia) Ltd, which is a wholly-owned subsidiary of Metallurgical Corporation of China Ltd - an established international engineering service company known for its experience and strength in engineering, resource development, equipment manufacturing, procurement, construction (EPC) management, and real estate development."

"The piling work is expected to start this month and complete in June. The construction of the condominium development will be completed in approximately two years. We are confident of positive demand for good quality housing in Cambodia which is expected to continue strong economic growth of about 7% annually," he added.

About HLH Group

HLH Group was founded by Dato' Dr Johnny Ong in 1988. It has transformed itself from a sole proprietorship providing construction services into a successful regional property developer and agricultural group listed on the mainboard of the Singapore Stock Exchange.

The Group operates two core business segments: Agriculture and Property Investment & Development.

The Agriculture Division is involved in agricultural development and investment, branding, merchandising as well as the distribution of cassava and sugarcane for the food processing and animal feed milling industries.

The Property Investment & Development division focuses on investment and development of commercial, residential and industrial properties, and has successfully completed numerous residential, commercial and industrial projects in Singapore.

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Stratagem Consultants Pte Ltd*

For more information, please contact:

Tham Moon Yee, Soh Tiang Keng

Tel: (65) 6227 0502

Emails: tmy@stratagemconsultants.com
 sohtk@stratagemconsultants.com