



HONG LAI HUAT GROUP LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
REG. NO. 199905292D

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FOR IMMEDIATE RELEASE

**Hong Lai Huat achieves 18% increase in net profit to S\$6.5 million
for 1H2018**

- Revenue rose fourfold to S\$28.4 million on the back of strong sales of D'Seaview units
- Strong balance sheet and low gearing bodes well for the Group

Financial Highlights for six months ended 30 June 2018

S\$'000	1H2018	1H2017	+/(-) %
Revenue	28,363	7,242	292
Gross Profit	15,177	3,791	300
Profit before tax	6,679	5,456	22
Profit Attributable to Owners of the Parent	6,505	5,497	18

SINGAPORE – 6 August 2018 - SGX-Mainboard listed **Hong Lai Huat Group Limited** (“**Hong Lai Huat**” or the “**Group**”), a fast-growing, diversified real estate company focused on property development and agriculture investment in Singapore and Cambodia, today announced a 18% jump in net attributable profit of S\$6.5 million for the six months ended 30 June 2018 (“**1H2018**”).

Revenue rose fourfold to S\$28.4 million for the period under review, up from S\$7.2 million a year ago (“**1H2017**”) on the back of stronger property sales at the Group’s signature D’Sseaview project development in Sihanoukville, Cambodia. The property segment accounted for 87% of the Group’s revenue in 1H2018.

D’Sseaview is Hong Lai Huat’s maiden freehold mixed-use development venture in Cambodia, comprising 737 residential units and 67 commercial units. More than 70% of the project’s commercial and residential units have already been sold, while development work is expected to be fully completed by June 2019. The Group celebrated its roof topping-up ceremony for the development on 27 June 2018, with the occasion graced by His Excellency Yun Min, the Governor of Sihanoukville Province as well as more than 200 distinguished guests from Cambodia and Singapore.

On the cost front, distribution and selling expenses rose to S\$2.2 million from a year ago on the back of higher estate agencies commissions paid out and higher expenditure on sales and marketing activities. Administrative expenses increased to S\$6.6 million, largely due to depreciation costs, professional fees and expenses related to the upkeep of farm machinery.



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Hong Lai Huat continues to grow its war chest, with cash and cash equivalents of S\$6.0 million as at 30 June 2018, up \$4 million from 31 December 2017. The Group's gearing remained at a comfortable 3.4% as at 30 June 2018, improved 0.4% better than FY2017 exit.

For its agricultural business in Cambodia, the Group will continue to explore meaningful collaboration opportunities for its cassava and starch production, as well as pursue divestments of its agricultural assets, which is in line with the Group's rationalisation strategy.

Hong Lai Huat's Executive Deputy Chairman and CEO Dato' Dr Johnny Ong said, *"We are very encouraged by the strong support from the market for the Group's inaugural Cambodian development, D'Seaview, which is well on track for full completion by June 2019. Going forward, the Group intends to further expand our property business, not only in Cambodia but also look for opportunities to expand to other key cities in Cambodia, Thailand and also back to our homeground, Singapore."*

"We are pacing our return to Singapore, looking for the right opportunity and right time, and will make the official announcement when is ready."

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About Hong Lai Huat Group Limited

Listed on the Mainboard of the Singapore Exchange, Hong Lai Huat Group Limited is a fast-growing, diversified real estate company focused on property development and agriculture development in Cambodia and Singapore. With 30 years of successful track record, the Group has completed numerous residential, commercial and industrial projects across Singapore. Some of its notable property development projects include D'Ecosia, D'Fresco, D'Castilia, D'Almira, D'Lithium, D'KranjiFarm Resort and D'Centennial. The D'Seaview mixed-use development project in Sihanoukville, Cambodia is the Group's first property development in Cambodia.

The Group's Agricultural sector currently focuses on the cultivation of fresh cassava on a 10,000 hectares land in Aoral District, Kampong Speu Province, Kingdom of Cambodia and produces native tapioca starch for the food and industrial users in Europe and South-East Asia.

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