



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

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BUSINESS UPDATE



(Main Construction Site for Royal Platinum mixed-use project)

The Board of Directors of Hong Lai Huat Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to issue a voluntary business update for its shareholders on its business operation in the Kingdom of Cambodia.

The Board is in view that FY2022 had posed a huge challenge to the Group’s business in Cambodia with rising risk of global recession, inflation, bank interest or mortgage rates and other market uncertainties as a result of the war in Ukraine as well as the ongoing Covid-19 pandemic. Despite the challenging market condition, the Board would like to update its shareholders that the main construction work for its second mixed-use project located at Toul Kork District, Phnom Penh, the capital city of Cambodia is well on schedule to be completed in FY2023.

As at the date of this announcement, the construction progress has reached 22nd floor out of the total 28th floor for both of its residential towers yielding a total of 851 units. Barring any unforeseen circumstances, the Group plans to hold a topping out ceremony targeting somewhere around February 2023 and plans to handover the 50 commercial units to its buyers as early as before June 2023.



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Although the sales of the units have been impacted by the challenging market conditions, the Group will continue its best efforts to market and sell the residential and commercial units on hand which is estimated to be worth around USD 180 million.



In its current portfolio of property and real estate projects in Cambodia, the Group has completed a full scale mixed-use project comprising 737 residential units and 67 commercial units known as D'Seaview located at Sihanoukville, Cambodia. The mixed-use project which also includes a hotel segment that encompasses around 100 rooms was sold to a Malaysian Group in 2021 for USD 12 million is currently under interior renovation works and is targeting to open its doors on April 2023. The D'Seaview project currently hold about 196 unsold units on hand which has a market value around USD 50 million in which around 46 units have been furnished and tenanted, there are plans to further furnish and convert the remaining 150 units on hand for rental purposes to diversified its revenue stream or the Group will continue to market and seek for buyers once the general market condition improves.

The Group acquired its third piece of land around 1.2 hectares in Toul Kork District, Phnom Penh back in September 2021 which has a current market worth around USD 24 million. The Group also acquired a minority interest in its fourth piece of land around 12 hectares located in Sihanoukville in which the Group is planning to soft launch the project to the market by March 2023. These ensure all our stakeholders that



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the Group continues to hold strong land banking options for future projects to be subsequently developed in the Kingdom of Cambodia.

Overall

The Board would like to assure our shareholders, stakeholders, business partners, bankers and financial institutions that despite the global challenging environment, the Group will continue to seek opportunities to strengthen its position as a diversified real estate and property developer in Cambodia, such as through the marketing and sale of its property units on hand as well as seeking strategic partnerships with international corporation to enhance the value of its assets.

The Group will thread cautiously towards FY2023 and will keep the shareholders updated of any material developments to its businesses in the Kingdom of Cambodia.

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BY ORDER OF THE BOARD

Dato Dr Ong Bee Huat
Deputy Chairman and Group CEO
for and on behalf of
HONG LAI HUAT GROUP LIMITED

22 December 2022