



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

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FOR IMMEDIATE RELEASE

HONG LAI HUAT SIGNS MEMORANDUM OF UNDERSTANDING WITH CHINA MACHINERY ENGINEERING CORPORATION

- MOU with China Machinery Engineering Corporation for development of a solar farm
- Largest project at the Aoral Eco-City to-date and largest solar farm in Cambodia
- Solar farm will supply clean energy to local power grid and enhance energy security



(Top left: Dato Dr Johnny Ong, Group CEO & Executive Deputy Chairman | Top middle: Mr Ong Jia Jing, Group GM & Executive Director | Top right: Wang Haitao, Chief Representative of CMEC, bottom left: Mr Ong Jia Ming, Executive Director, along with representatives of Hong Lai Huat as well as CMEC attended the virtual MOU signing via Zoom)

SINGAPORE – 26 April 2021 - SGX Mainboard-listed **Hong Lai Huat Group Limited** (“**Hong Lai Huat**” or 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 non-binding Memorandum of Understanding (“**MoU**”) with Hong Kong Mainboard listed China Machinery Engineering Corporation (“**CMEC**”) for the development and operation of a 200MW solar farm at the Aoral Eco-City (the “**Aoral Eco-City**”), the mega integrated agriculture eco-city project that Hong Lai Huat is developing in the Kingdom of Cambodia.

The signing of the MoU will create a special purpose vehicle (“**SPV**”) for which the Group and CMEC will undertake the proposed collaboration, which will be for a period of at least 20 years, with a right-of-renewal for a further 20 years. This is the second investment that the Group has secured, following the



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first joint cooperation agreement signed on 12 April 2021 with Joe Green to develop a Light-Weight Concrete Panel Manufacturing Plant in the Aoral Eco-City Construction Material Zone.

Designated under the Aoral Eco-City Solar Energy Zone, the estimated investment value of the project is approximately US\$200 million (S\$265.8 million). When completed, the proposed solar farm will supply electricity to the state-owned Electricite du Cambodge (“EDC”) grid under a Power Purchase Agreement (“PPA”) between the SPV and EDC. Revenue generated under the PPA will be shared between the Group and CMEC, details of which will be expressly defined in a binding agreement to follow in the next 90 days. The Group will also have first right to purchase electricity from the solar farm at the same rate at which it supplies EDC and this will ensure sustainable and stable electricity supply for investors that set up their base inside the Aoral Eco-City.

With an established track record in the engineering industry spanning more than three decades, CMEC will provide one-stop, customised, complete solar plant solutions including preliminary planning, engineering, procurement, construction (EPC), financing, operation and maintenance of the plant. With a presence in 47 countries and regions in Asia, Africa, Europe and South America, CMEC’s project contracting system is centred on electric power energy and covers transportation, telecommunications, waterworks, building materials and cement.

A pioneer in China’s machinery and electronic products industry, CMEC is a key supplier of high-end casting and forging products for top international corporations including General Electric, Caterpillar and Liebherr. CMEC was also the comprehensive power solutions supplier for the 2008 Beijing Olympic Games and the 2010 World Expo in Shanghai, amongst other notable projects.

CMEC is a subsidiary of China National Machinery Industry Corporation, a Fortune Global 500 company.

Hong Lai Huat Group General Manager and Executive Director Mr Ong Jia Jing said, “The MoU marks an important milestone in our collaboration with CMEC, and we look forward to concluding a definitive agreement with CMEC in the near future. The proposed solar farm project is a key element of the eco-city and will provide clean power to the local population, reducing carbon emissions to the environment while enhancing energy security for investors in Aoral Eco City.

“Upon completion, the proposed 200MW solar farm project will be the largest of its kind in Cambodia. This reflects the strong investment merits in Aoral Eco-City, and its attractiveness to international investors especially logistic and food processing companies looking to gain a foothold in the fast-growing Cambodia.”

Chief Representative of CMEC Wang Haitao said, “We are pleased to partner Hong Lai Huat Group on this major / significant project in Cambodia. With a presence in Cambodia since 2008 and an established track record in the construction, property, and real estate industry since 1988, Hong Lai Huat will complement our engineering expertise to ensure the success of the proposed solar farm project. In line with the global transition to renewable energy, we are proud as one of the pioneers in providing clean energy in Cambodia.”

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About Hong Lai Huat

Hong Lai Huat Group Limited is a reputable real estate and property developer with 33 years of successful track record. Established since 1988, the Group has completed numerous projects in Singapore ranging from public and private residential developments, to commercial and industrial buildings. Some of its notable developments in Singapore include D'Ecosia, D'Fresco, D'Castilia, D'Almira, D'Lithium, D'Kranji Farm Resort and D'Centennial.

In 2008, the Group diversified into the agricultural sector in Cambodia and had since completed the development of approximately 10,000 hectares farmland that cultivates fresh cassava, as well as a cassava starch production factory capable of producing 120 tons of starch on a daily basis.

In 2015, The Group expanded its property development in Cambodia with the successful launched of its first freehold mixed-use project – D'Seaview which is one of the first and largest mixed-use developments in Sihanoukville, D'Seaview comprising 737 residential units and 67 commercial units. The construction of the entire project is completed in FY2019.

Following the success of D'Seaview, the Group launched its second freehold mixed-use project Royal Platinum in FY2019 in Toul Kwok district, Phnom Penh, the capital city of Cambodia. Located just 20 minutes away from Phnom Penh International Airport, this project comprises 851 residential and 50 commercial units and begun construction in May 2020 where it is expected to complete in FY2023.

Hong Lai Huat Group Limited was listed on the Mainboard of the Singapore Stock Exchange on 21 June 2000.

For more information, please visit: <https://honglaihuatgroup.com/>

About China Machinery Engineering Corporation

China Machinery Engineering Corporation was built on its predecessor China National Machinery & Equipment Import & Export Corporation, which was set up in 1978. In 2012, CMEC was listed on the Hong Kong Stock Exchange. Its controlling stake is now owned by China National Machinery Industry Corporation. The core business of CMEC is engineering contracting, but as a large international conglomerate, it also extends into trade, investment, R&D and international services.

With more than 30 years of experience in the engineering industry, CMEC has developed the capacity to provide one-stop, customised, complete plant solutions spanning preliminary planning, EPC, financing, and operation and maintenance. It has expanded its business presence to 47 countries and regions in Asia, Africa, Europe and South America, forming a project contracting system with electric power energy at the core and covering transportation, telecommunications, waterworks, building materials and cement, etc. In February 1983, CMEC won the bid to build a 210MW thermal power station in Guddu, Pakistan, becoming the first Chinese corporation to undertake overseas contracts under the export seller's credit agreement. Upon entering the 21st century, CMEC became the first company to introduce Chinese-made 600MW supercritical coal-fired generator to the international market. In December 2012, the EREN (1+1) x600MW supercritical coal-fired power plant in Turkey won the Luban Award for Overseas Projects, making itself the first overseas coal-fired power plant to win this prize. In November 2015, the Belezov project in Belarus also won the Luban Award for Overseas Projects. Dubbed as the Three Gorges Project of the Republic of Congo, the Imboulou 4x30MW Hydropower Station was completed and put into operation in 2010. Started in April 2016, the Pakistan Thar Mining and Power Project is not only the first coal and power integration project for the China-Pakistan Economic Corridor that has been implemented, but also CMEC's first overseas power investment project under the strategy of business development driven by investment.



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In the area of international trade, CMEC is a pioneer in China's machinery and electronic products industry. It is now the key supplier of high-end casting and forging products for top international corporations including GE, Caterpillar and Liebherr. CMEC was the comprehensive power solutions supplier for the 2008 Beijing Olympic Games, the 2010 World Expo in Shanghai, and the iconic new office building of China Central Television. CMEC has been actively promoting the new energy project of distributed PV plants and now possesses the capacity to provide one-stop systematic services.

CMEC now offers door-to-door logistics solutions and all-process logistics services for various engineering projects. So far, it has provided tailor-made logistics services for more than 100 overseas EPC projects, becoming a leading figure in China's international engineering logistics industry.

For more information, please visit: <http://en.cmec.com/>