



HLH GROUP LIMITED
(Incorporated in the Republic of Singapore)
Reg. No. 199905292D

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HLH GROUP ENTERS INTO A SALES AND PURCHASE AGREEMENT TO SELL ITS 98 ROOMS, 10 STOREY HOTEL IN ITS D'SEAVIEW MIXED DEVELOPMENT PROJECT IN SIHANOUKVILLE, CAMBODIA FOR S\$15,700,000

- *Largest mixed-use development in Sihanoukville with more than 80% of commercial units and 60% of residential units sold*
- *HLH Group sees further opportunities in fast-growing Cambodian property sector*



SINGAPORE - 26 March 2018 - SGX-Mainboard listed **HLH Group Limited** (“**HLH Group**” or the “**Group**”), a fast-growing, diversified real estate company focus on property development and agriculture investment in Singapore and Cambodia, has entered into a sales and purchase agreement to sell its 98 rooms, 10 storey hotel in its D’Seaview project in Sihanoukville, Cambodia for a total cash consideration of S\$15,700,000.

D’Seaview is HLH Group’s first freehold mixed-use development venture in Cambodia, comprising 737 residential units and 67 commercial units. The four blocks of commercial segment include a mix of commercial shop space, retail units and a boutique hotel. The Group also holds the land rights to an adjacent freehold land plot of approximately 22,064 square metres. The development is strategically located in Sihanoukville, Cambodia’s third largest province and home to the country’s only deep-water



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seaport. It is also located in close proximity to the popular and scenic Sokha beach, thus providing unrivalled seafront views to owners of its units.

Following this sale, 80% of the project's commercial units and 60% of the residential units have now been presold, buoyed by strong demand from local Cambodians and overseas buyers from *Singapore, Malaysia, China, Taiwan, the United States, Russia and even Belgium*. Development of the commercial and residential segments are expected to be completed in the second quarter of 2018 and the first half of 2019 respectively.

In December 2017, Chinese investors pledged to invest an additional US\$7.0 billion¹ to support infrastructure development in Cambodia. These include the construction of a highway connecting Phnom Penh, the capital of Cambodia, and Sihanoukville, which will increase connectivity and significantly reduce travelling time between the two major cities.

Cambodia is one of the fastest growing economies in the world, with stable annual economic growth rates of between 6.9%-7.6% over the last decade.² GDP growth in 2017 was a healthy 6.9%, driven by a recovering tourism sector, an on-going construction boom and a gradual shift away from the traditional textile export sector.³ For 2018, the Kingdom is forecasting growth of 7.0%⁴, in line with the Asian Development Bank's forecast.⁵

Moreover, Sihanoukville stands at the epicentre of Cambodia's economic growth, which is driven by the Kingdom's strong bilateral relationship with China. Touted as the first port of call for China's "One Belt One Road" initiative, Sihanoukville has benefited from an influx of International Investors, particularly in the property space.

HLH Group's Executive Deputy Chairman and CEO Dato' Dr Johnny Ong said, "*We are confident that the buyers of our D'Seaview residential and commercial units will benefit from the development's high-quality construction and finishing. The development may also benefit from a potential appreciation of*

¹ Business Times - Cambodia finds new target for real estate: China investors
<http://www.businesstimes.com.sg/real-estate/cambodia-finds-new-target-for-real-estate-china-investors>

² ASEAN briefing, Cambodia's Investment Outlook for 2018,
<https://www.aseanbriefing.com/news/2018/02/13/cambodias-investment-outlook-2018.html>

³ East Asia Forum, Cambodia's path toward sustaining long-term growth,
<http://www.eastasiaforum.org/2018/02/01/cambodias-path-toward-sustaining-long-term-growth/>

⁴ Khmer Times, Industrial diversification key for growth, experts say,
<http://www.khmertimeskh.com/50110397/industrial-diversification-key-growth-experts-say/>

⁵ Asian Development Bank, ADB expects robust growth for Cambodia's economy, retains forecast for 2017 and 2018,
<https://www.adb.org/news/adb-expects-robust-growth-cambodias-economy-retains-forecast-2017-and-2018>



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land prices in Sihanoukville, particularly if the current trend of rapid expansion in land prices persists unabated."

A recent survey conducted by property consultancy firm CBRE Cambodia indicated that land prices in Sihanoukville have appreciated rapidly over the past 12 months, driven by rising international investment in the city's hospitality and resort sector, as well as residential-led projects and manufacturing industries, particularly focused on the city's special economic zones.⁶

Added Dato Dr Ong, *"The sale is a testament to the immense potential of D'Seaview as one of the preeminent mixed-use development projects in Sihanoukville, one of the most popular tourism destinations in Cambodia. The development has attracted strong interest from local and overseas buyers from countries as diverse as Singapore, Malaysia, China, Taiwan, the United States, Russia and even Belgium who are keen to leverage on Sihanoukville's tourism potential and more broadly, Sihanoukville's burgeoning economic growth especially in the rise of its property development market."*

"We are pleased with the strong demand for our D'Seaview development thus far and we look forward to the continued support for the sale of the remaining units," said Dato' Dr Ong.

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About HLH Group Ltd

Listed on the Mainboard of the Singapore Exchange, HLH Group Limited is a fast-growing, diversified real estate company focus on property development and agriculture investment in Cambodia and Singapore. The Group has completed various residential, commercial and industrial projects across Singapore. The D'Seaview mixed-use development project in Sihanoukville, Cambodia is the Group's first property development in Cambodia.

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⁶ Khmer Times, Sihanoukville land prices increasing, <http://www.khmertimeskh.com/5085750/sihanoukville-land-prices-increasing/>