



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

逢
来
發
集
团
有
限
公
司

FOR IMMEDIATE RELEASE

HONG LAI HUAT SIGNS JV AGREEMENT TO DEVELOP ITS 4TH MIXED-USE DEVELOPMENT PROJECT IN THE KINGDOM OF CAMBODIA

- The Group will co-develop the 11.5ha site in Sihanoukville with the landowner, construction estimated to start in FY2022
- Approx. 3 to 5 hectares of the site will be developed into a wholesale and distribution centre with seafood market whereas remaining land will be subdivided into smaller plots for mixed-use development project.



(The proposed site for wholesale and distribution centre with seafood market under its phase one development)

SINGAPORE, 1 November 2021– SGX Mainboard-Listed **Hong Lai Huat Group Limited** (“**Hong Lai Huat**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce today that the Group’s wholly owned subsidiary HLH Development Pte Ltd (“**HLHD**”) has entered into a Joint Venture Agreement (“**JVA**”) with Smart Winner Co., Ltd (“**the land owner**”) to develop a 11.5-hectare site located in the Province of Preah Sihanouk, Cambodia, for its fourth mixed-use development project (“**new project**”) in the Kingdom of Cambodia.

Under the terms of the JVA, both HLHD and the landowner regard each other as a strategic partner and will focus on the following aspects to jointly develop the new project.



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

逢
來
發
集
團
有
限
公
司

1. Based on preliminary studies, approximately 3 to 5 hectares of the site will be developed into a wholesale and distribution centre that includes a seafood market, while the remaining land will be subdivided into smaller plots for mixed-use development.
2. The landowner will contribute the site (valued at US\$25.2 million) into the new joint venture company. HLHD will pay US\$10 million for a 49.6% stake, and contribute US\$5 million towards the working capital, while the landowner will hold the remaining 50.4% stake.
3. HLHD also has the right of first refusal to purchase an additional 19.54% stake in the joint venture for US\$6.5 million within the next 12 months. This allows HLHD to enjoy potential upside from any significant increase in the land value once the phase one of the wholesale and distribution centre project has been marketed.

The site is located in Sihanoukville Province, Kingdom of Cambodia, the new project will also mark the Group's second foray into Sihanoukville Province following the success of Project D'Seaview, its first mixed-use development which is in the same province. The site is also in close proximity with Sihanoukville Autonomous Port, the Kingdom's only deep-water seaport.

Development of the project is expected to commence in 2Q FY2022, after obtaining all the necessary regulatory approvals. Once the wholesale and distribution centre has been developed, the Group will either lease or sell to a potential operator.

Hong Lai Huat Group Executive Director Mr Ong Jia Jing commented, *“Despite the continuous challenges brought by the COVID-19 pandemic, our prospects in Cambodia remain bright. We are pleased to unveil our latest joint-venture investment, which is expected to drive further upside for the Group in the near future. Not only do we gain a recurring source of rental income from the development, we are also likely to benefit from the development of mixed-use project or potential sale of the remaining strata title plots.”*

Smart Winner Co., Ltd is a company set up in Cambodia in 2018 by three main directors and shareholders namely, Mr Chen Jia Xin who is the Chairman of the company, Mr Tang Lyhour as well as Mr Thiem Meng Tan. To the best of the knowledge of the Directors, neither the three main directors or shareholders have any relations with the Group and its Directors, controlling shareholders or substantial shareholders.

None of the Directors, controlling shareholders or substantial shareholders of the Group have any interest, direct or indirect in the joint venture company, other than in their capacity as Director or shareholder of the Group.



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

逢
來
發
集
團
有
限
公
司

Shareholders should note that information relating to Smart Winner Co., Ltd and Key Executive in this section and elsewhere in this announcement was provided by Smart Winner Co., Ltd. The Group and the Directors have not independently verified the accuracy and correctness of such information herein.

Shareholders are to note that the signing of this JVA shall not have any material impact on the Group earnings on the financial year ending 31 December 2021.

###

About Hong Lai Huat

Hong Lai Huat Group is a real estate and property developer with a successful track record spanning more than three decades. Established in 1988, the Group has completed numerous projects in Singapore ranging from public and private residential developments to commercial and industrial buildings.

In 2008, the Group diversified into the agricultural sector in Cambodia and had since completed the development of approximately 10,000 hectares of farmland that cultivate fresh cassava, as well as a cassava starch production factory. In 2015, The Group also expanded its property development in Cambodia with the successful launch of its first freehold mixed-use project, D'Seaview, one of the first and largest mixed-use developments in Sihanoukville, comprising 737 residential units and 67 commercial units. 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 from Phnom Penh International Airport, this project comprises 851 residential and 50 commercial units. The Group also acquired a third plot of land in FY2020 with plans to develop its third mixed-use project in the Kingdom.

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/>

Investor Relations and Media Contact:

Emily Choo

Mobile: +65 9734 6565

Email: emily@gem-comm.com