



# HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

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## ENTRY INTO SETTLEMENT AGREEMENT IN RELATION TO THE SALE OF HOTEL IN D'SEAVIEW MIXED-USE PROJECT FOR US\$12,000,000



(A drone view of the fully completed D'Seaview mixed-use project by the Group in Sihanoukville Cambodia)

### 1. BACKGROUND

- 1.1 The Board of Directors (the “**Board**” or the “**Directors**”) of Hong Lai Huat Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Group’s announcements dated 11 December 2018 and 29 May 2020 (collectively, the “**Previous Announcements**”) in relation to, *inter alia*, the termination of the proposed sale of the hotel (the “**Property**”) in the Group’s D’Seaview project in Sihanoukville, Cambodia (the “**Proposed Sale**”) (the “**Termination**”).

### 2. ENTRY INTO A SETTLEMENT AGREEMENT

- 2.1 The Board wishes to update shareholders that the Group’s subsidiary PH One Development (Cambodia) Limited (the “**Seller**”) and the Sihahotel Group Co., Ltd (the “**Buyer**”) have, on 27 May 2021, entered into a settlement agreement (the “**Settlement Agreement**”).
- 2.2 The key terms of the Settlement Agreement are as follows:
  - (a) Both the Buyer and the Seller acknowledge and agree that the Buyer has duly paid



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US\$4,200,000 in accordance with the payment schedule provided in the SPA, which shall be accepted as part-payment of the Purchase Price.

- (b) The Buyer remains liable, in addition to the Balance payable to the Seller, to pay to the tax authority the applicable transfer tax in the amount as levied by the tax authority for the issuance of certificate of strata title of the Property.
- (c) The Balance of the purchase price ("**Balance**") shall be the full and final settlement and money payable by the Buyer to the Seller for the Proposed Sale.
- (d) An escrow account shall be opened and maintained in J Trust Royal Bank, Phnom Penh (the "**Escrow Account**") and the Balance shall be deposited into such Escrow Account within fourteen (14) days from the signing of the Settlement Agreement by both Parties.
- (e) The Balance shall be released from the Escrow Account in favour of the Seller within fourteen (14) working days from the issuance of the certificates of strata title of the Property.

### 3. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Sale and the Settlement Agreement (other than their direct or indirect shareholdings in the Company, if any).

#### By Order of the Board

Dato' Dr. Ong Bee Huat  
Executive Deputy Chairman & CEO  
27 May 2021