



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

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For Immediate Release

Hong Lai Huat Reports 119% increase in Revenues in First Half 2021

- Strong net cash position of S\$10.3 million underpinned by positive operating cash flow; Net asset value of S\$0.2787/share
- Sales recognition from an ongoing pipeline of development projects, which includes the completed D'Seaview mixed-use project.

SINGAPORE, August 30, 2021—SGX mainboard-listed Hong Lai Huat Group Limited (“Hong Lai Huat” or the “Company,” together with its subsidiaries, the **Group**”) has announced its financial results for the six months ended 30 June 2021 (“**1H2021**”).

1H2021 Financial Highlights

	1H2021	1H2020	Year-on-Year Change (%)
Revenue	12.1	5.5	119.1%
Gross Profit	5.2	3.1	69.6%
Gross Profit Margin	42.7%	55.1%	
Net Profit/ (Loss)	(1.3)	(1.3)	-2.8%
Adjusted Net Profit/ (Loss)*	1.9	(1.3)	N/A
Net Profit/(Loss) attributable to owners of company	(1.3)	(1.3)	-2.8%

*Adjusted for one off impairment loss of S\$3.2m for the proposed disposal of HLH Agri R&D Pte Ltd

Revenue increased more than doubled to S\$12.1 million in 1H2021, mainly due to an increase in property sales, as the Group recognised the remaining sales of its hotel in its D'Seaview mixed use project in Sihanoukville, Kingdom of Cambodia. Gross profit margin decreased from 55% in 1H2020 to 43% in 1H2021. Other expenses increased by S\$3.3 million mainly because of an impairment loss of S\$3.2 million recognised for the proposed disposal of HLH Agri R&D Pte Ltd announced on 6 June 2021, which had been classified as an asset held for sale in 1H2021.

The Group recorded a net loss of S\$1.3 million. Excluding the one-off impairment loss of S\$3.2 million, the Group will have recorded an earnings turnaround of S\$1.9 million.

Positive operating cash flow underpins robust net cash position



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S\$ million	As of 30 June 2021
Cash and bank balances	16.2
Total Bank loans	(6.0)
Net Cash position*	10.3
S\$ million	1H2021
Net cash from operating activities	2.3
Net cash used in investing activities	(5.6)
Net cash from financing activities	9.8

*Net cash = Cash and bank balances - Bank loans

As of 30 June 2021, the Group maintained a strong net cash position of S\$10.3 million, boosted by the proceeds from its recent rights issue (excluding the sale proceeds of the D'Seaview hotel as well as the sale of subsidiary HLH Agri R&D Pte Ltd) and positive operating cash flow of S\$2.3 million generated during 1H2021. Total equity of the Group stood at S\$144.3 million or a net asset value of S\$0.2787 per share.

Hong Lai Huat Group General Manager and Executive Director Mr Ong Jia Jing commented, *“We have made some progress in each area of strategic focus of the operations while navigating through a challenging environment because of the COVID-19 pandemic. The Group will continue to work hard to deliver on our business performance goals as well as focusing on the business growth in midst of the COVID-19 pandemic moving forward.”*

Continued progress with a strong pipeline of projects

Following the official approval obtained to convert its existing agricultural land into a mixed-use development, the Group will develop a mega Cambodia-Singapore Agricultural Hub where it will feature several key zonings such as food processing factories, solar energy, construction material and aquaculture, where Hong Lai Huat will seek to partner with several key international players to operate these zonings through a joint investment or joint cooperation model. The Agriculture Division will also seek joint cooperation partner to operate its cassava starch factory as well as its plantation land moving forward.

Alongside the development of Agri-Hub, the Group will also continue with its other property development projects in Cambodia. In 1H2021, D'Seaview also saw improved collections from its buyers as efforts to market the unsold balance units continued positively. Construction for the Royal Platinum joint venture project remains on track and has reached 7 out of the total 28 floors as at the date of this announcement. In September 2020, the Group gained a third plot of land in Toul Kork, Phnom Penh, and is in progress



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of development design. The Group will monitor the COVID-19 pandemic situation closely before deciding when to launch the project.

“As one of the fastest growing economies in the world with a rising middle income population, Cambodia has always been one of the most attractive property markets in the region, attracting both local and foreign buyers. We are one of the early movers in the country, and has accumulated a sizable land bank with the development of Agri-Hub and a portfolio of quality projects including D’Seaview, Royal Platinum as well as the third plot of land on hand for the new project, which will help to support the growth of the group for years to come.” Mr Ong added.

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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 capable of producing 120 tons of starch daily.

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/>

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