



## 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 EARNINGS TURNAROUND AND DECLARES DIVIDEND IN FY2021

- Strong earnings turnaround buoyed by strong property sales in Cambodia; Net profit from continuing operations at S\$6.1 million vs a loss of S\$7.8 million a year ago.
- Declares dividend of \$0.002 per share underpinned by robust strong cash position and positive operating cash flow.
- Earnings contribution from existing projects with a strong pipeline of property developments is ready to be launched.

SINGAPORE, February 28, 2022– 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 financial year ended 31 December 2021 (“**2021**”).

### 2021 Financial Highlights

S\$ million	2021	2020	Year-on-Year Change
Revenue	16.7	7.2	132%
Gross Profit	10.4	2.8	274%
Gross Profit Margin	62%	38%	
Net Profit/ (Loss) from continuing operations	6.1	(7.8)	N.M.
Net Profit/ Loss attributable to owners of company*	3.2	(8.5)	N.M.

\*Net Profit from continuing operations + Loss from discontinued operations (relating to the HLH Agri R&D Pte Ltd which was disposed during the year)

Revenue more than doubled to S\$16.7 million in 2021, due to stronger property sales in Cambodia. The strong revenue growth coupled with an expansion in gross margins from 38% in 2020 to 62% in 2021 helped gross profit jumped more than 3 folds to S\$10.4 million. Other income also rose mainly due to a forfeiture of progressive deposits from property sales, gain on disposal of property, plant and equipment, and rental income. The Group recorded a net profit



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from continuing operations of S\$6.1 million vs a loss of S\$7.8 million in 2020. During the year, the Group also disposed of its interest in HLH Agri R&D Pte Ltd., recording a loss from discontinued operations of S\$2.8 million. Net profit to owners of the company was S\$3.2 million in 2021 vs a loss of S\$8.5 million from a year ago.

### **Positive operating cash flow underpins robust net cash position**

S\$ million	As of 31 December 2021
Cash and bank balances	26.1
Total loans and borrowings	(6.0)
Net Cash position*	20.1
S\$ million	2021
Net cash from operating activities	9.1
Net cash used in investing activities	(1.4)
Net cash from financing activities	8.7

\*Net cash = Cash and bank balances - Bank loans

As of 31 December 2021, the Group maintained a strong net cash position of S\$20.1 million, supported by a robust operating cash flow of S\$9.1 million generated during the year. Total equity of the Group stood at S\$150 million or a net asset value of S\$0.2896 per share. The Group has also declared a dividend of S\$0.002/share, representing a pay-out ratio of about 32% from its net profit to owners for the year.

Hong Lai Huat Group Executive Deputy Chairman and Group CEO Dato Dr Johnny Ong commented, ***“Our Group’s earnings recovery trajectory remains on track with robust property sales in Cambodia. With the improved earnings, the group declared a dividend of S\$0.002/share. The group will continue to navigate the challenging pandemic and explore new opportunities. We are keeping a tight rein on cost management and staying focused on our growth strategy to speed up our business recovery,”***

### **Post Pandemic Recovery**

The Group has seen an improvement in sales of properties at both D’Seaview and Royal Platinum after the reopening of the borders restrictions. The Group will continue to market the



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balance units to potential buyers in the year ahead. In the meantime, D'Seaview, has continued to see progressive takeover of sold units by foreign buyers, while construction for Royal Platinum has reached level 10 as at the end of 2021.

The Group's third and fourth property development project are currently under designing and feasibility stages, and the Group will update shareholders once the projects are ready to be launched in the market.

***“With contributions from existing projects and a strong pipeline of developments, we are confident of the Group’s long-term outlook. Cambodia is one of the fastest growing countries in the region with a growing middle-income population, and as one of the budding property developers in the country, we believe the best is yet to come. The Group remains committed to delivering value and sustainable returns to shareholders.”***

Mr Ong added.

Earlier in Feb 2022, the Group has officially launched Cambodia-Singapore’s largest agricultural hub (“**Agri-Hub**”), and will continue to market the different zonings of the Agri-Hub in accordance to the master blueprint approved by the Royal Government of Cambodia towards the local and international companies

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### **About Hong Lai Huat**

Listed on the Mainboard of Singapore Stock Exchange as well as Frankfurt Stock Exchange, Hong Lai Huat Group is a real estate and property developer with a successful track record spanning over 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 expanded its footprint into the Kingdom of Cambodia and developed one of the largest privately owned plantation farm. In 2015, the Group launch its first mixed-use property development D'Seaview in Sihanoukville Cambodia, comprising 737 residential units



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and 67 commercial units. Following the success of D'Seaview, the Group launched its second freehold mixed-use project, Royal Platinum, in 2019 in Toul Kork 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 and fourth plot of land in 2020 and 2021 with plans to develop its third and fourth 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 and Frankfurt Stock Exchange on 6 December 2021. For more information, please visit: <https://honglaihuatgroup.com/>

### Investor Relations and Media Contact:

Emily Choo

Mobile: +65 9734 6565

Email: [emily@gem-comm.com](mailto:emily@gem-comm.com)