



HONG LAI HUAT GROUP LIMITED
(Incorporated in the Republic of Singapore)
Reg. No. 199905292D

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21 April 2026

RESPONSE TO SHAREHOLDER QUESTIONS

The Board of Directors (the "Board") of Hong Lai Huat Group Limited (the "Company", and together with its subsidiaries, the "Group") would like to provide its responses to the questions raised by its shareholder ahead of its Annual General Meeting which will be held on 30 April 2026 at 9.30 a.m. at Raffles Marina Country Club.

Question 1

Can you provide more colour on the impact of the Iran war, Straits of Hormuz blockade and the rise in energy prices on the company? Please explain and elaborate.

Company's Response

The ongoing geopolitical tensions in the Middle East, including disruptions to the Straits of Hormuz, have contributed to volatility in global energy prices. The Company's exposure to these developments is largely indirect.

For our real estate development and investment activities in Cambodia, higher energy prices may lead to increased construction and operating costs, particularly in areas such as transportation, building materials and utilities. However, the Company currently has no ongoing construction projects as all developments have been completed. As such, the immediate impact from rising energy prices on the Group's property segment is limited mainly to general operating and maintenance expenses, which remain manageable and not material.

For our marble mining operations, energy costs, especially diesel used in quarrying and transportation, represent a more direct input cost. However, the Company is not directly involved in extraction activities, which are carried out by appointed sub-contractors. While there has been upward pressure on operating expenses at the contractor level, the Group continues to work closely with its contractors to manage production efficiently and fulfil existing orders. Overall, the impact remains contained and not material to the Group.

Question 2

I read that the fuel situation in Cambodia is very dire. "Cambodia's diesel price on April 1 reached double its level at the start of the war in the Middle East after the latest government increase, official figures showed, raising concerns among farmers ahead of the ploughing season." and "Cambodian authorities are investigating around 2,000 petrol stations that have closed temporarily, claiming shortages since the Middle East conflict sent oil prices surging, a government official told AFP on March 13. Commerce ministry spokesman Penn Sovicheat confirmed that around 2,000 of Cambodia's 6,300 fuel depots and petrol stations had stopped operating in recent days." Is the dire fuel situation in Cambodia affecting our company's operations in Cambodia? What is the impact? How much is the impact? Please explain and elaborate.

Company's Response

We are aware of reports regarding fuel price increases and temporary closures of petrol stations in Cambodia. While there have been short-term disruptions in fuel availability and price volatility, the situation has not materially impacted the Company's operations.

As the Group has no ongoing construction projects, its exposure to fuel supply disruptions is primarily through its marble mining operations and general property maintenance. While there has been some increase in operating and logistics costs, the direct impact on the Group is not material at this stage. The Group continues to monitor the situation closely.

Question 3



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I note in Nov 2024, the company signed a term sheet with the Assembly Place, and that "In a joint release issued on Nov 28, both companies say they will focus on finalising the key objectives within the 60 days before entering into a binding agreement. Some of the key objectives include conducting feasibility studies for the fitting out of available units in Hong Lai Huat's Royal Group Platinum development in Cambodia." What is the current status of this term sheet? Was it converted into a binding agreement? If yes, when and what is the progress of this collaboration? If not, why was this term sheet not converted into a binding agreement? What went wrong? Why did talks fail? Please detail, explain and elaborate.

Company's Response

Following the signing of the non-binding term sheet in November 2024, both parties conducted feasibility studies and engaged in discussions on the proposed co-living concept at the Royal Group Platinum development.

After further evaluation, the parties were unable to reach agreement on certain key commercial and operational terms required to proceed to a binding agreement, including matters relating to commercial structuring and return expectations. As a result, the term sheet was not converted into a definitive agreement.

Although the collaboration did not materialise, the Company maintains a cordial working relationship with The Assembly Place and remains open to potential future collaboration opportunities should suitable terms arise.

The Company continues to explore other avenues of increasing the recurrent income through its investment properties or completed development with other operators. It will provide timely updates to its shareholders as appropriate.

Question 4

I note that in July 2025 last year, Cambodia and Thailand had a war. Did the Cambodia and Thailand war affect our Cambodian property businesses? Did it dampen sales at our property division? By how much? What is the nationality breakdown of our property buyers? How many percent of our property buyers are Thai nationals? Please detail, explain and elaborate.

Company's Response

The Cambodia–Thailand tensions in July 2025 had some impact on the Group's property business, primarily through short-term market sentiment.

While there was a slowdown in sales activity during the period, this was also influenced by earlier factors such as the COVID-19 pandemic and negative media reporting, which collectively dampened buyer confidence, particularly among foreign purchasers. Notwithstanding these factors, the overall impact remained manageable. The Group's developments have been completed, and rental performance of the completed units has remained stable.

The buyer profile of the Group's developments is diversified, comprising mainly Cambodian nationals, Singaporean buyers and other regional investors. The Group has no exposure to Thai buyers.

Due to commercial sensitivity, the Company does not disclose detailed nationality breakdowns or specific percentages of buyers.

Question 5

I note that in July 2025 last year, Cambodia and Thailand had a war. Did the Cambodia and Thailand war affect our Cambodian marble businesses? Did it dampen sales at our marble division? By how much? What is the nationality breakdown of our marble buyers? How many percent of our marble buyers are Thai nationals? Please detail, explain and elaborate.

Company's Response

The Group's marble business was not materially affected by the Cambodia–Thailand tensions.



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The Group's marble products are primarily exported to the China market, including through Xiamen and Tianjin ports, and the Group does not export to Thailand. As such, there was no significant disruption to demand or sales volumes, and operations remained stable.

Due to commercial sensitivity, the Company does not disclose detailed customer breakdowns or percentages.

Question 6

Can the company provide more colour on our marble mining business? Where in Cambodia is it located? What is the scale of our marble mining business? Who are our competitors? What is our competitive advantage? What is our market share? Do we have scale and/or are we able to scale? Who are our customers? Is it profitable? Is it cash flow positive? Please detail, explain and elaborate.

Company's Response

The Group's marble mining operations are located in Aoral District, Kampong Speu Province, Cambodia and focus on the extraction and supply of raw natural stone primarily for export markets.

The operations are carried out through appointed contractors, allowing the Group to maintain a capital-efficient structure while retaining exposure to the business. The current scale of operations is modest but scalable, supported by existing infrastructure and available reserves.

The Group's competitive advantage includes a recent renewal of its marble license for another 2 years by the Ministry of Mines and Energy in Cambodia. As mining operations have only recently commenced, the quarry has yet to be fully explored and developed. The marble segment remains in an initial growth phase, having completed its first full year of operations in FY2025 at approximately 30% capacity, as disclosed in the Company's Annual Report FY2025.

The Group continues to focus on improving operational efficiencies, scaling production prudently, and exploring opportunities to expand into upstream and downstream activities to enhance value.

Due to the commercial nature and in accordance to the relevant listing rules, the Company does not disclose detailed information such as market share, competitors or specific financial metrics. Shareholder may refer to the available annual report or financial statement available on SGXNET for information with regards to its businesses. The Group will continue to update shareholders on material developments as appropriate.

BY ORDER OF THE BOARD

Dylan Ong Jia Jing
Chief Strategy Officer and Executive Director