



## HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

Reg. No. 199905292D

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### FOR IMMEDIATE RELEASE

## Hong Lai Huat achieves an increase in net profit of \$7.98 million for 9M2018

- Revenue rose 222% to \$38.24 million on the back of strong sales of D'Seaview units
- Strong balance sheet and low gearing bodes well for the Group

### **Financial Highlights for nine months ended 30 September 2018**

<b>S\$'000</b>	<b>9M2018</b>	<b>9M2017</b>	<b>+/(-) %</b>
Revenue	38,241	11,860	222
Gross Profit	20,398	6,058	237
Profit (Loss) before income tax	8,426	(402)	N.M.*
Profit Attributable to Owners of the Company	7,980	4,620	73

N.M.\* - Not meaningful

**SINGAPORE – 5 November 2018** - SGX-Mainboard listed **Hong Lai Huat Group Limited** (“**Hong Lai Huat**” or the “**Group**”), a fast-growing, diversified real estate company that focuses on property development as well as agriculture investment in Singapore and Cambodia, today announced a 72% jump in net attributable profit of \$7.98 million for the nine months ended 30 September 2018 (“**9M2018**”).

Revenue rose 222% to \$38.24 million for the period under review, up from \$11.86 million a year ago (“**9M2017**”) on the back of stronger property sales at the Group’s signature D’Searview project development in Sihanoukville, Cambodia. The property segment accounted for 91% of the Group’s revenue in 9M2018.

D’Searview is Hong Lai Huat’s maiden freehold mixed-use development venture in Cambodia, comprising 737 residential units and 67 commercial units. The Group celebrated its roof topping-up ceremony for the development on 27 June 2018, with the occasion graced by His Excellency Yun Min, the Governor of Sihanoukville Province as well as more than 200 distinguished guests from Cambodia and Singapore.

On the cost front, distribution and selling expenses rose to \$3.28 million from a year ago on the back of higher estate agencies commissions paid out and higher expenditure on sales and marketing activities. Administrative expenses increased to \$9.76 million, largely due to depreciation costs, professional fees and expenses related to the upkeep of farm machinery.

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Hong Lai Huat continues to grow its war chest, with cash and cash equivalents of \$11.45 million as at 30 September 2018, up \$9.44 million from 31 December 2017. The Group's gearing remained at a comfortable 2.5% as at 30 September 2018, improved 1.3% better than FY2017 exit.

For its agricultural business in Cambodia, the Group's agriculture team has been focusing on the cultivation of fresh cassava and the production of native tapioca starch. The team will continue to explore meaningful collaboration opportunities to enhance and maximise the capacity for its fresh cassava cultivation and starch production, as well as pursue divestments of its agricultural assets, which is in line with the Group's rationalisation strategy.

**Hong Lai Huat's Executive Deputy Chairman and CEO Dato' Dr Johnny Ong** said, *"We are very encouraged with the Group's current developments and progress in Cambodia where most notably is the recent signing of the JV agreement with Royal Group to launch our 2<sup>nd</sup> mixed development project in the capital city of Cambodia, Phnom Penh following the success of project D'Seaview. Going forward, our team have also started the exploration into regional expansion like Thailand as well as looking for opportunities to return back to our home-ground, Singapore."*

END

### **About Hong Lai Huat Group Limited**

Listed on the Mainboard of the Singapore Exchange, Hong Lai Huat Group Limited is a fast-growing, diversified real estate company focused on property development and agriculture development in Cambodia and Singapore. With 30 years of successful track record, the Group has completed numerous residential, commercial and industrial projects across Singapore. Some of its notable property development projects include D'Ecosia, D'Fresco, D'Castilia, D'Almira, D'Lithium, D'KranjiFarm Resort and D'Centennial. The D'Seaview mixed-use development project in Sihanoukville, Cambodia is the Group's first property development in Cambodia.

The Group's Agricultural sector currently focuses on the cultivation of fresh cassava on a 10,000 hectares land in Aoral District, Kampong Speu Province, Kingdom of Cambodia and produces native tapioca starch for the food and industrial users in Europe and South-East Asia.

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