



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)
Reg. No. 199905292D

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FOR IMMEDIATE RELEASE

UPDATES TO SHAREHOLDERS ON 1H FY2020 UNAUDITED FINANCIAL RESULTS

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 the updates to the shareholders with regards to the 1H FY2020 unaudited financial results.

The Group recorded a 59% drop of revenue in 1H FY2020 unaudited financial results mainly due to a lower progressive revenue recognition from the Group’s D’Seaview project in Cambodia, which was completed and reduction in sales volumes as a result of COVID-19 pandemic in 1H FY2020.

Share of loss of joint venture on the Royal Platinum project was \$0.5 million, compared to \$0.3 million in 1H FY2019. The share of loss was mainly due to a lower percentage of progressive revenue recognition, which construction commenced in May 2020 and slower sales as a result of COVID-19 pandemic in 1H FY2020.

Total assets of the Group increased by \$9.8 million to \$161.2 million. The increase was mainly due to an increase in cash and bank balances arising from new bank loans raised and development properties. The Group had completed the D’Seaview project in Cambodia and had transferred the unsold completed units from development properties to properties held for sale. The increase was offset by decrease in balances due from buyers of D’Seaview units.

Overall, the Group has sufficient liquidity to meet its near-term debt obligations and operational needs. In 1H FY2020, the Group has secured approximately \$8.8 million bank loans and as a result the total cash and cash equivalents at 1H FY2020 increased from \$11.3 million to \$20.2 million as compared to the end of previous year. In addition, the cash collected from handing over D’Seaview units gradually to the buyers will enable the Group to increase its cash reserves. The Group will continue to exercise prudence in non-essential capital and operating expenditure.

In view of the on-going Covid-19 pandemic and barring unforeseen circumstances, the Group remains cautious on the outlook of its performance in FY2020.

BY ORDER OF THE BOARD

Dato’ Dr Ong Bee Huat
Executive Deputy Chairman & Chief Executive Officer
11 August 2020