



HONG LAI HUAT GROUP LIMITED

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

逢
來
發
集
團
有
限
公
司

Update on Termination of Sale of Hotel in D'seaview Project

The Board of Directors (the “**Board**”) of Hong Lai Huat Group Limited (the “**Company**”), and together with its subsidiaries (the “**Group**”), refers to the Group’s announcement dated 11 December 2018 in respect of the termination of the sale of its hotel in D’sseaview project in Sihanoukville, Cambodia (the “**Project**”).

The Board wishes to announce that:

- a) The Buyer, Sihahotel Group Co., Ltd. , a company registered in Cambodia, owned by three Malaysian individuals, namely Ong Hock Keat, Ng Hong Ming and Ang Kian Chun, filed a complaint (the “**Complaint**”) on 28th September 2018, in the Phnom Penh Court of First Instance (“**Phnom Penh Court**”) against the Company’s subsidiary, PH One Development (Cambodia) Limited (“**PH One**”) for termination of the sale and purchase agreement entered into between the parties in respect of the Project (the “**SPA**”).
- b) On 14th November 2019, the Complaint was discharged by the Phnom Penh Court on the basis that the dispute was civil in nature and it is to be settled by arbitration proceedings following the terms stated in the SPA (the “**Phnom Penh Court Decision**”). The Buyer subsequently filed an appeal (“**Appeal**”) to the Phnom Penh Appeal Court (“**Appeal Court**”) in respect of the Phnom Penh Court Decision, and the Complaint has been reinstated to the Phnom Penh Court for another hearing on 5th June 2020. In addition, the Buyer also filed for a Preservative Relief Order in relation to certain units that were purchased under the SPA.
- c) Under the terms of the SPA, any dispute between the parties shall be administered by the National Commercial Arbitration Centre (“**NCAC**”) of Cambodia. In view of this, the Company is seeking legal advice from its Cambodian counsel in respect of the Appeal and to transfer the Complaint to the NCAC for arbitration as the appropriate forum.

The Board will update shareholders again on further material developments of the case at the appropriate juncture. As of the date of this Announcement, the Group has reviewed the overall impact of the Complaint filed against the Company and concluded that there is no material financial impact on the Group’s current business, financials and operations.

By Order of the Board

Dato’ Dr. Ong Bee Huat
Executive Deputy Chairman & CEO
29 May 2020