



HONG LAI HUAT GROUP LIMITED

RESULTS BRIEFING FY2021



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SUMMARY OF FY2021 RESULTS



Revenue more than doubled to S\$16.7 million in 2021 compared to S\$7.9 million in FY2020



Gross Margins improved from 38% in FY2020 to 62% in FY2021 helped gross profit jumped more than 3 folds to S\$10.4 million



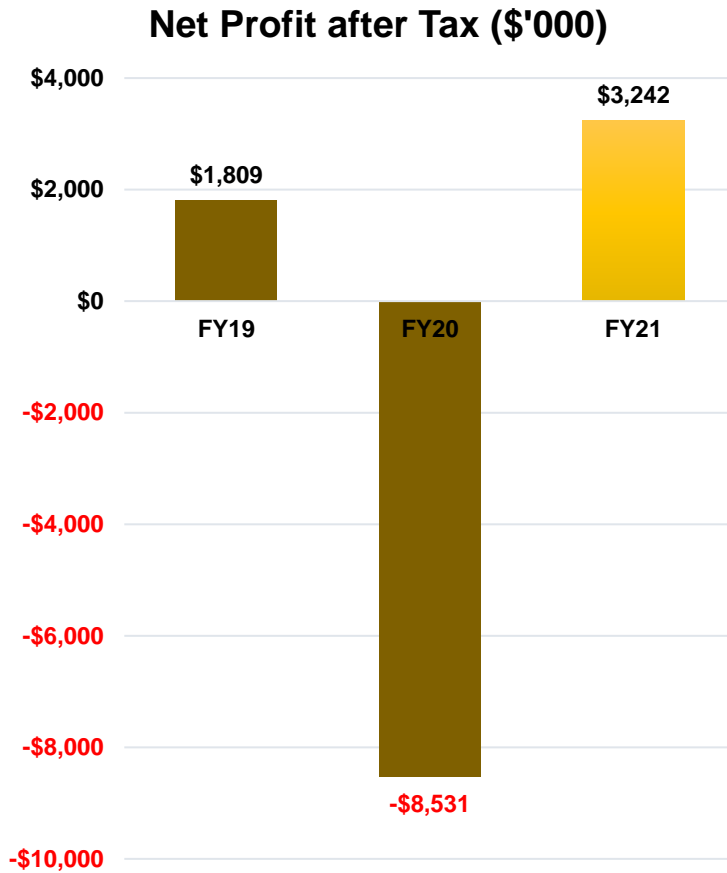
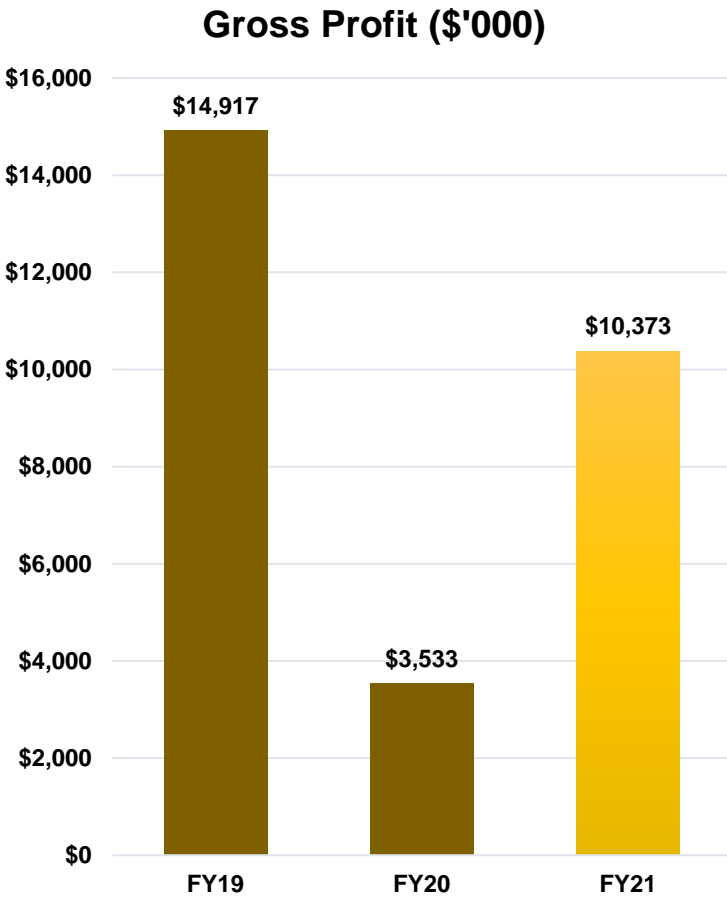
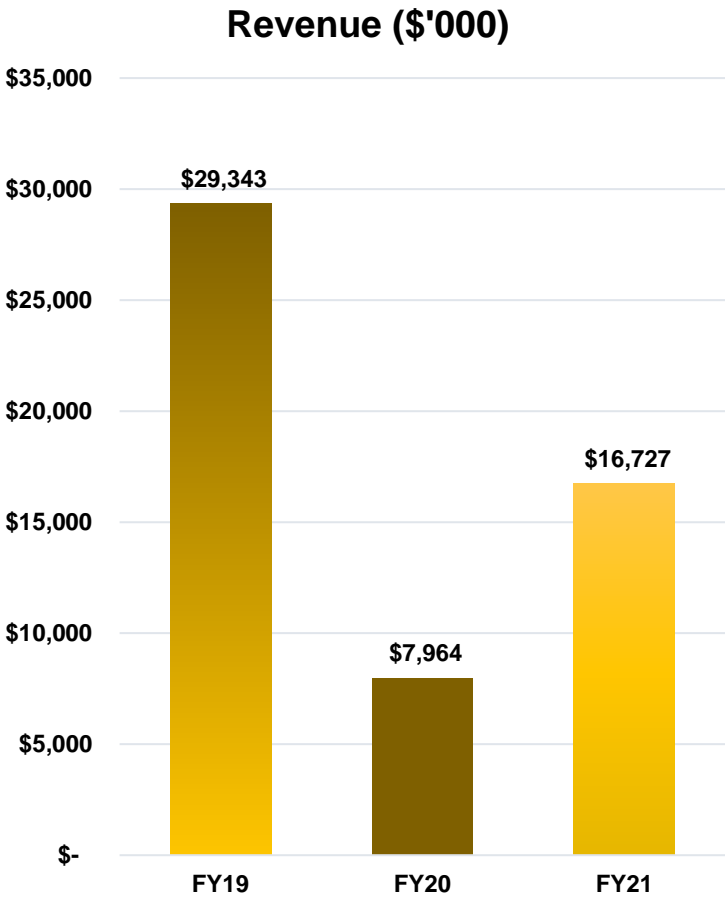
Net profit of S\$3.2 million compared to a loss of S\$8.5 million in FY2020

FINANCIAL HIGHLIGHTS

S\$ million	FY2021	FY2020	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.

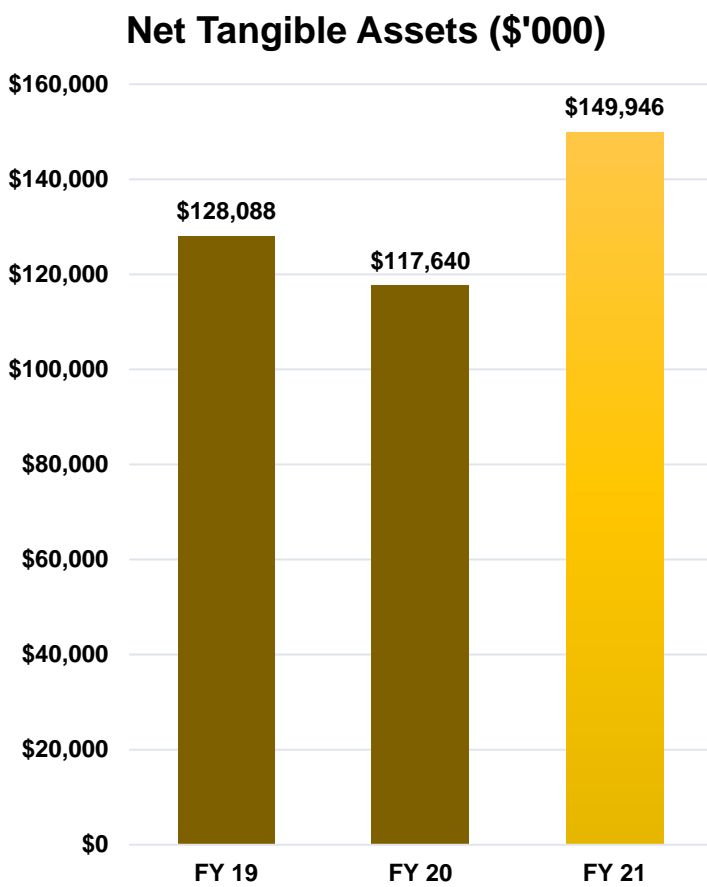
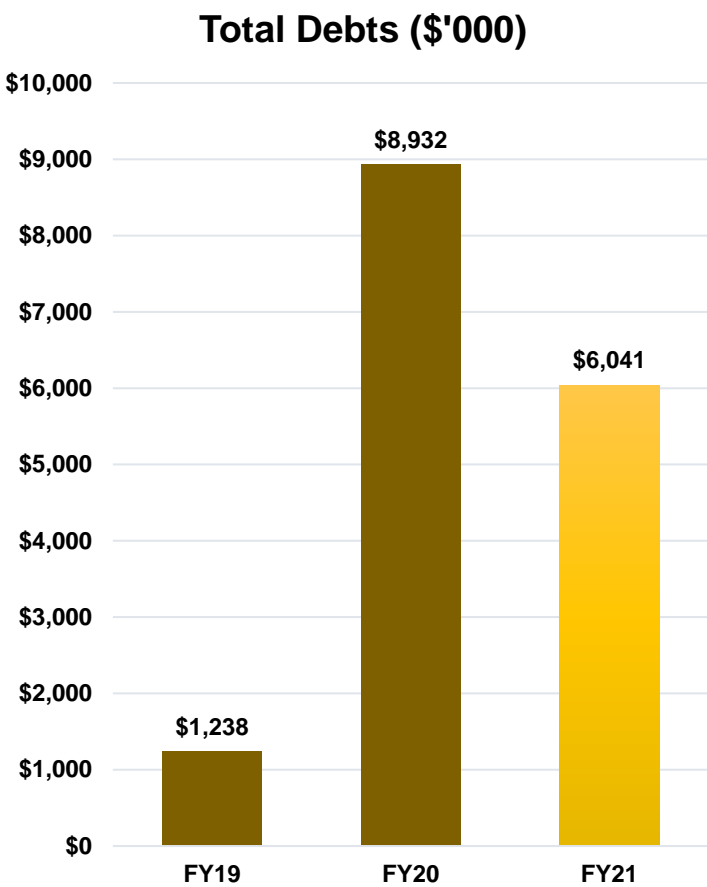
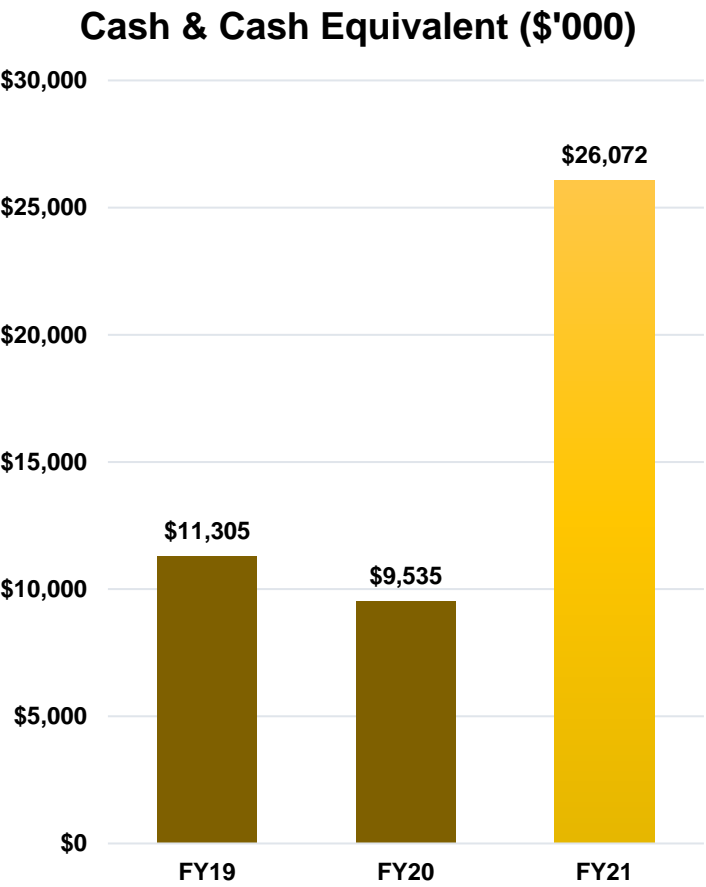
1. Revenue more than doubled to S\$16.7 million in 2021, due to stronger sales in Cambodia. The strong revenue growth coupled with an expansion in gross margins from 38% in 2020 to 62% in 2021 helped gross profit jumped more than 3 folds to S\$10.4 million.
2. Other income also rose mainly due to a forfeiture of progressive deposits from property sales, gain on disposal of property, plant and equipment, and rental income.
3. The Group recorded a net profit 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.
4. 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.

FINANCIAL HIGHLIGHTS



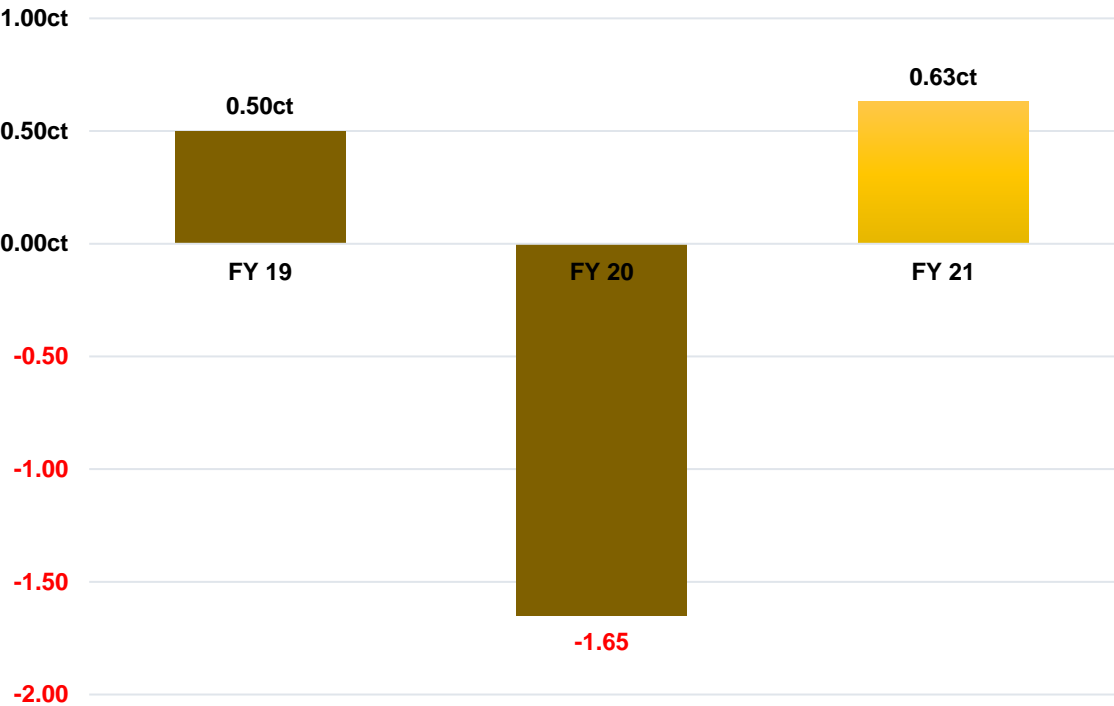
The Group returns to profitability after taking in a huge impact from covid-19 pandemic in FY2020

FINANCIAL HIGHLIGHTS



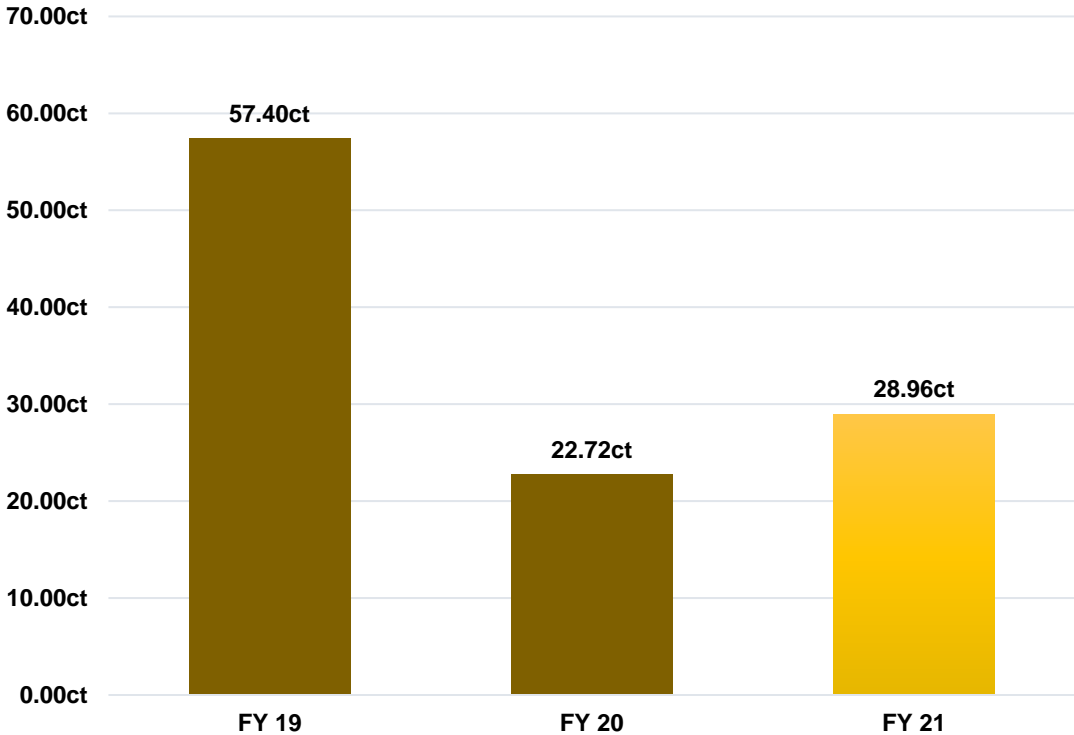
FINANCIAL HIGHLIGHTS

EPS (Cents)



*The comparative figures have been adjusted to current number of ordinary shares in issue

NAV (Cents)



*The comparative figures have been adjusted to current number of ordinary shares in issue

FINANCIAL HIGHLIGHTS

S\$ million	As of 31 December 2021
Cash and bank balances	26.1
Total loans and borrowings	(6.0)
Net Cash position*	20.1

*Net cash = Cash and bank balances – Total loans and borrowings

S\$ million	As of 31 December 2021
Net cash from operating activities	9.1
Net cash used in investing activities	(1.4)
Net cash from financing activities	8.7

1. As of 31 December 2021, the Group maintained a strong net cash position of S\$20.1 million.
2. The Group generated an operating cash flow of S\$9.1 million generated during FY2021 compared to a negative cash flow of S\$18.8 million in FY2020.
3. As a result, the balance of cash and cash equivalents at the end of FY2021 increased by S\$16.6 million as compared to the end of previous year to \$26.1 million.
4. Total equity of the Group stood at S\$150 million or a net asset value of S\$0.2896 per share.
5. 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.

ONGOING & FUTURE PROJECTS

Ongoing projects	Estimated balance units value (US\$ million)
D'Seaview	50
Royal Platinum*	90
Total	140

*50% joint venture project

Projects in pipeline	Estimated gross development value (US\$ million)
New Project 3	200
New Project 4*	124
Total	324

*49.6% joint venture project

1. As of 31 December 2021, the Group has a total of two ongoing projects and two projects in pipeline as well as a mega Agri Hub development.
2. Estimated balance units value able to sell for D'Seaview and Royal Platinum is approximately US\$140 million.
3. The Group also hold 100% interest in a third plot of freehold land as well as 49.6% in a fourth plot of freehold land in Cambodia for future developments.
4. Estimated gross development value for the projects in pipeline is approximately US\$324 million.
5. Total estimated units available for sale in its ongoing and future development is around US\$464 million. (S\$626 million) (exchange rate*1.35)

1. The Group has seen an improvement in sales of properties at both D'Seaview and Royal Platinum after the reopening of the borders restrictions in Cambodia in Q4 of FY2021.
2. The Group will continue to market the 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.
3. 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.
4. On Q4 of FY2021, Cambodia's Prime Minister Hun Sen **announces quarantine free travel** for the fully vaccinated, giving the economy and businesses a much needed boost that were impacted by the local and border restrictions to curb the spread of covid-19 since 2020.
5. As at November 2021, Cambodia has reached a **vaccination rate of 100% for all eligible adults**, making it one of the highest vaccination countries in the world ranking it **9th in terms of vaccination and over 10 million of its entire population**. Cambodia is now actively administering the booster shots for its citizen.
6. Recurring income from leasing of completed properties, currently unsold D'Seaview units are being tenanted out with an average **yield of 8-12% per annum**.
7. Diversified income streams **from Agri-Hub**.

DATO. Dr Johnny Ong

FOUNDER

Executive Deputy Chairman & Group CEO

Dato' Dr. Ong is the founder of the Group. He is responsible for the Group's overall strategic direction and planning as well as business development. Dato' Dr. Ong is recognised as an outstanding entrepreneur and for his leadership. He was conferred the "Dato" title by the Sultan of Pahang, Malaysia on 15 January 2000 and awarded the Doctor of Business Administration in 2001 by Wisconsin International University of the United States.



Board of Directors



Dr Wang Kai Yuen

Chairman and Non-Executive Independent Director

Dr. Wang was appointed to the Board on 1 May 2006. He is the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee.



Dato' Dr Ong Bee Huat

Deputy Chairman and Chief Executive Officer

Dato' Dr. Ong is the founder of the Group. He is responsible for the Group's overall strategic direction and planning as well as business development.



Prof Wong Wen-Young, Winston

Vice Chairman and Non-Executive Director

Prof. Wong joined the Board on 27 February 2007. He has a wealth of experience and expertise in petrochemical products which adds value to the Group's agriculture business.



Mr Ong Jia Ming, Ryan

Executive Director

Being the Director of several key subsidiaries under the Group since 2014, Mr. Ong is also responsible for Project Management, Business Development, Public Relations, Branding as well as Sales and Marketing for the Group.



Mr Ong Jia Jing, Dylan

Group General Manager and Executive Director

Mr Ong was appointed to the Board on 1st September 2020. He is responsible on the strategic direction, operation planning sales and marketing as well as business development for the Group's Agriculture Division in Cambodia.



Dr Lee Kuo Chuen, David

Non-Executive Independent Director

Dr Lee was appointed to the Board on 30 April 2012. He is a Professor at the Singapore Institute of Management University and Vice President of The Economic Society of Singapore.



Kohe Hasan

Non-Executive Independent Director

Ms Kohe Hasan was appointed to the Board on 1st March 2019. She is a partner with Reed Smith's Singapore office and is one of three directors of Resource Law LLC, Reed Smith's Singapore alliance partner law firm.



Mr Lien We King

Non-Executive Independent Director

Mr Lien We King was appointed to the Board on 1st March 2019. He is the Managing Director of Bridgewater Holdings Pte Ltd where he oversees the performance and growth of its portfolio of media businesses.



DATO. Dr Johnny Ong

FOUNDER
Executive Deputy Chairman & Group CEO



Mr Ryan Ong

Executive Director



Mr Dylan Ong

Group GM & Executive Director

ABOUT OUR COMPANY

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 2015, the Group launch its first mixed-use property development D'Seaview in Sihanoukville Cambodia, comprising 737 residential units 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/>





Royal Platinum

The Group's latest mixed-used development in the capital city of Cambodia, Phnom Penh

1988

Hong Lai Huat construction was founded

2000

Listed on Mainboard of Singapore Stock Exchange, completed more than 40 large scale projects across Singapore

2008

Expanded our footprint into the Kingdom of Cambodia and acquired a 10,000 hectares agricultural land bank

2015

Launch of D'Seaview, our first overseas freehold mixed-use project

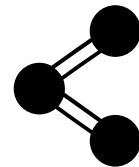
2019 - 2021

Launch of Royal Platinum, our second freehold mixed-use project. Acquired third and fourth plot of land in the Kingdom

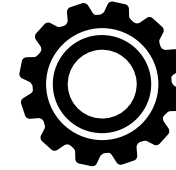
CORPORATE OVERVIEW



**MAJOR
SHAREHOLDER.**
ONG FAMILY –
47.23%



**STOCK
CODES**
SGX:CTO
FSE:0QO



**NET ASSET
VALUE**
S\$150m as at
FY2021

*Round up figures



S\$500M ~
Total property
development
portfolio
in Cambodia

*Based on company estimates

HONG LAI HUAT



1988-2014

Construction and property development in Singapore



2008-2020

Entry into the Kingdom of Cambodia with agricultural and property development



2021 and beyond

Property and Real Estate Development in Cambodia with major interest in Residential, Commercial and Industrial (E.g. Agri Hub)

Strategic Roadmap

Income Streams

- 1) Construction
- 2) Property Development

- 1) Agricultural
- 2) Property Development

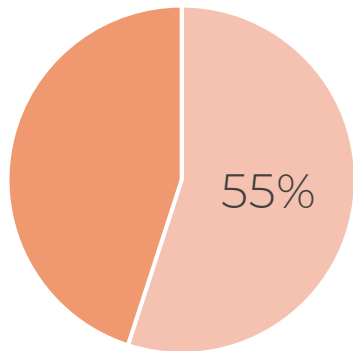
- 1) Property Development
- 2) Recurring Income from leasing of completed residential, commercial or industrial properties

Ongoing Projects (Cambodia)

Projects	D'Seaview	Royal Platinum	Cambodia Singapore Agriculture Hub
Hong Lai Huat's Stake	100%	50%	100%
Location	Sihanouk Province, Kingdom of Cambodia	Toul Kork District, Phnom Penh, Capital City of Cambodia	Aoral District, Kampong Speu Province, Kingdom of Cambodia
Type of Development	Mixed Development	Mixed Development	Township Development
Land Area	9,818 sqm	8,221 sqm	100,000,000 sqm
Average Selling Price	USD 1,300 per sqm	USD 2,000 per sqm	Approved zones: value added food processing factories, warehousing facilities and logistic hub, renewable energy (like solar power), livestock farms, construction material zone, plantation zone, aquaponics, water treatment facilities, light industry zone, commercial and community living concepts etc
% Sold	85%	20%	
Gross Development Value	USD 130 million	USD 220 million	
Construction Completion Date	FY2020	Est. Q4 FY2023	Est FY 2040



Project D'Seaview



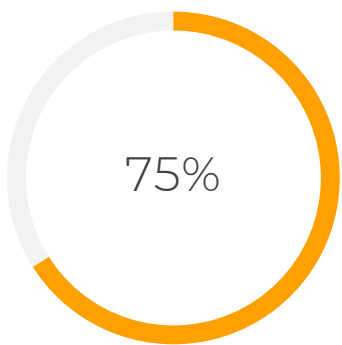
Owned by local Cambodians

Hong Lai Huat's Stake	100%
Location	Sihanouk Province, Kingdom of Cambodia
Type of Development	Mixed Development 737 residential units with clubhouse, 67 commercial units includes 4 blocks of commercial and a 10 story hotel

Net Saleable Area	100,000 sqm
Average Selling Price	USD 1,300 per sqm
% Sold	85% (55% Local Cambodian buyers, 45% Foreign buyers)



Project Royal Platinum



Owned by local Cambodians

Hong Lai Huat's Stake		50%	Net Saleable Area		110,498 sqm
Location	Toul Kork District, Phnom Penh, Kingdom of Cambodia		Average Selling Price	USD 2,000 per sqm	
Type of Development	Mixed Development 851 residential units and 50 commercial units		% Sold	20% (75% Local Cambodian buyers, 25% Foreign buyers)	

Agri Hub Development

On June 2021– Official Approval secured to convert its existing land bank from **agriculture to multi purpose mixed development land**.

Approved zonings - Value added food processing factories, warehousing facilities and logistic hub, renewable energy (like solar power), livestock farms, construction material zone, plantation zone, aquaponics, water treatment facilities, light industry zone, commercial and community living concepts etc



Strategic Location

~60 mins drive away from Capital City, Phnom Penh (~100km away)

Accessible by either National Road 4 or National Road 44.

Highest peak of Cambodia (130m above sea level)

Surrounded by various large scale industrial and agricultural farms.

Land Size 100,000,000 sqm (Approx. 1/7 size of Singapore)

Phase 1 GDV US\$1 billion

PROGRAM STRATEGY
B. MASTERPLAN PROGRAM



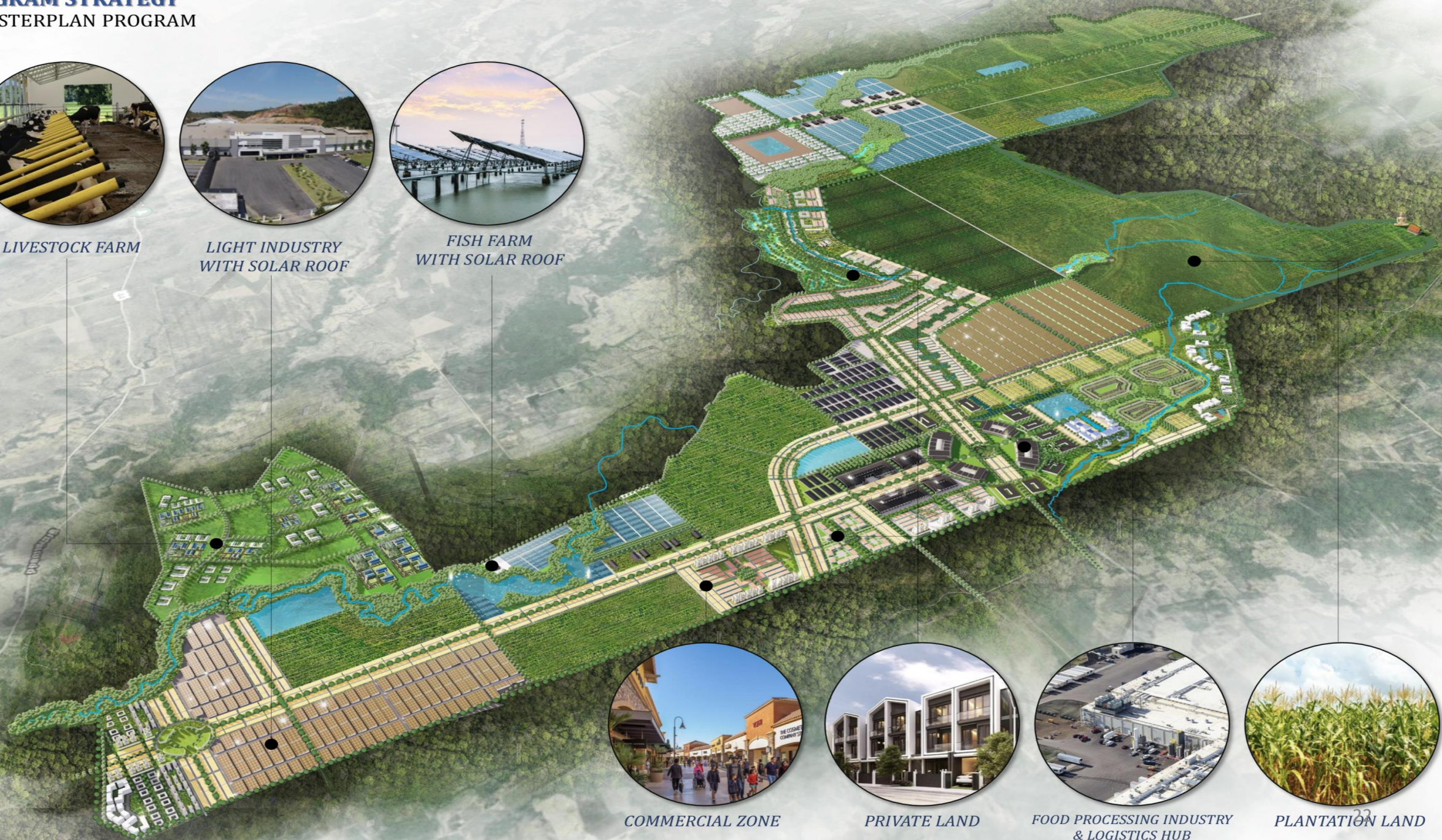
LIVESTOCK FARM



*LIGHT INDUSTRY
WITH SOLAR ROOF*



*FISH FARM
WITH SOLAR ROOF*



COMMERCIAL ZONE



PRIVATE LAND



*FOOD PROCESSING INDUSTRY
& LOGISTICS HUB*



PLANTATION LAND

PROGRAM STRATEGY

C. INFRASTRUCTURE ZONE PERSPECTIVE



Projects in Pipeline (Cambodia)

Projects	Project 3	Project 4
Hong Lai Huat's Stake	100%	49.6%
Location	Toul Kork District, Phnom Penh, Capital City of Cambodia	Sihanouk Province, Kingdom of Cambodia
Type of Development	Mixed Development	Mixed Development
Land Area	11,851 sqm	115,000 sqm
Gross Development Value	Est. USD 200 million	Est. USD 250 million
Launching Date	TBA	TBA



Project 3 (Artist Impression)

On September 2020, the Group had acquired its third plot of land bank in Phnom Penh, the capital city of Cambodia, the project is currently undergoing feasibility and designing phases and will be launch to the market once the covid-19 pandemic stabilized in the region.



Location: Toul Kork District, Phnom Penh, Capital City of Cambodia



Land Area: 11,851 sqm

Investment Merits

Attractive Valuation of <0.4x P/B

Backed by mainly hard assets of cash, properties and land



Significant potential uplift on its assets value

Ongoing property development projects, new projects in pipeline as well as the approval obtained to convert existing agricultural land for multi purpose mixed development land



Strong cash position, strongly undervalued

Overall gearing remains low. Current cash on hand is over 50% of the current market cap



Potential profit and future growth

Ongoing sales effort for D'Seaview and Royal Platinum and pending launch of 3rd and 4th mixed use development project in Cambodia

Multiple streams of partnerships income from the development of the Cambodia-Singapore Agriculture Hub





THANK YOU FOR YOUR ATTENTION

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