



Press Release

Hong Leong Asia Group reports 28.6% YoY growth in Net Profit for Full Year ended 31 December 2021 (“FY 2021”)

- Attributable net profit to shareholders grew 28.6% YoY to S\$60.1 million for FY 2021.
- Revenue for the Group rose 9.7% YoY to S\$4.9 billion in FY 2021. The increase in revenue was mainly due to higher revenue recorded by Yuchai and Building Materials Unit.
- Yuchai sold 456,791 engine units, an increase of 6.2% YoY, with much of the growth weighted towards 1H 2021 ahead of China’s transition to National VI-compliant engines.
- Demand for concrete and related products in Singapore rebounded strongly as construction activities picked up in 2021, recovering from FY 2020’s low base. In Malaysia, demand was impacted by rounds of lockdowns but began to see recovery in late 2021.
- First and final dividend of S\$0.02 per share, subject to shareholders’ approval.

FY 2021 FINANCIAL SUMMARY

S\$’000	FY 2021	FY 2020	Change
Revenue	4,932,589	4,496,207	9.7%
EBITDA	306,897	353,722	(13.2%)
Profit before Income Tax from Continuing Operations	132,495	195,070	(32.1%)
Profit from Continuing Operations, Net of Tax	118,743	152,993	(22.4%)
Total Attributable Net Profit	60,121	46,745	28.6%
Earnings per share (cents)	8.04	6.25	28.6%
Dividends per share (cents)	2.00	1.00	100.00%

Singapore, Feb 25, 2022 – Hong Leong Asia Ltd. (“HLA” or the “Group”), the listed trading and manufacturing arm of the Hong Leong Group, is pleased to announce that attributable net profit to shareholders rose 28.6% YoY to S\$60.1 million for the year ended 31 Dec 2021 (“FY 2021”) as group revenue rose 9.7% YoY to S\$4.9 billion.

The Board has proposed a first and final dividend of S\$0.02 per share, subject to shareholders’ approval.

The Group’s key business segments recorded higher volume sales and higher revenue in FY 2021.

Revenue of the diesel engines unit (“Yuchai”) rose by 7.9% YoY to S\$4.4 billion as it benefitted from strong sales of 456,791 engine units. This increase represents volume growth of 6.2% YoY, with much of the growth weighted towards 1H 2021 just ahead of China’s transition to National VI-compliant engines in July last year. Across 2H 2021, the number of engines sold declined by 21.0% YoY to 171,449 units due to lower truck engine sales, partially offset by higher sales of engines for other uses including off-road applications. Reportable segment profit after tax was S\$85.7 million, compared with S\$155.5 million for FY 2020 as margins declined due to higher material costs and transition costs for the production of National VI-compliant engines.

The building materials unit (“BMU”) revenue increased 29.8% YoY to S\$471.1 million with reportable segment profit of S\$28.2 million, supported by rising demand for concrete and related products in Singapore as construction activities recovered from FY 2020’s low base. The Ready Mix concrete business performed satisfactorily although the shortage of workers in construction companies had

caused projects to be delayed. Supply for precast products under BMU Singapore recovered as Malaysia came out of its lockdowns, which had hampered the precast unit's supply chain. The operating environment in Malaysia had been a challenging one as high Covid-19 infection cases led to Malaysia's Full Movement Control Order that lasted almost a quarter in mid-2021, impacting activities in the local construction industry. Tasek reported a loss for FY 2021.

Market Outlook

With the worst of the Covid-19 pandemic likely behind us, we are optimistic our end markets will further recover in 2022. While costs pressures are expected to remain as issues with global supply chains linger and remain vulnerable to higher energy costs, our push towards innovation and productivity improvements with automation and digitalisation will help to mitigate some of the pressures. The construction of the Group's Integrated Construction and Prefabrication Hub manufacturing facility remains on track for completion in the second half of 2022. The facility will introduce higher automation and help improve productivity for our Precast business.

We are developing new solutions that could help address climate change concerns within our industry segments, with Yuchai's hydrogen fuel-cell powertrain and electric bus ventures as recent examples.

We are cautiously optimistic that our main business units will continue to demonstrate their resilience and perform in 2022.

Issued by Hong Leong Asia Ltd. (Co. Reg. No. 196300306G)

About Hong Leong Asia:

Hong Leong Asia Ltd. is part of Hong Leong Group, a Singapore-based conglomerate and has been listed on the Singapore Exchange since 1998. We are a diversified Asian multinational with core businesses in construction and transport. We work closely with customers to develop and deliver innovative and sustainable solutions for cities of the future. For more information, please visit <https://www.hlasia.com.sg/>.

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