



Media Release

Hong Leong Asia's Attributable Net Profit Up 60.9% to S\$49.5 million in 1H 2024

Singapore, August 13, 2024 – Hong Leong Asia (“HLA” or the “Group”), a diversified Asian multinational with core businesses in building materials and powertrain solutions, today announced attributable net profit of S\$49.5 million for the half year ended 30 June 2024 (“1H 2024”).

1H 2024 FINANCIAL SUMMARY

	Half Year ended 30 June 2024	Half Year ended 30 June 2023	+/-
	S\$'000	S\$'000	%
Revenue	2,251,215	2,075,085	8.5%
Net Profit	92,529	64,121	44.3%
Net Profit Attributable to Shareholders	49,544	30,794	60.9%
Earnings Per Share (cents)	6.62	4.12	60.9%
Dividends Per Share (cents – Interim)	1.00	-	NM

Group revenue increased 8.5% YoY to S\$2.3 billion, with robust growth at both powertrain solutions (“Yuchai”) and building materials units (“BMU”). The Group’s profitability was lifted by strong performance at both Yuchai and BMU on the back of improving market conditions in Singapore, Malaysia and China.

In China, Yuchai revenue grew 9.3% YoY to S\$1.9 billion, with reportable segment profit after tax of S\$61.9 million, up 28.8% YoY. Total number of engines sold in 1H 2024 increased 16.3% YoY to 192,743 units led by truck and bus/industrial engines sales volume growth. Higher gross margins were also realised by ongoing cost reduction efforts and better sales mix toward heavy-duty vehicle engines and industrial engines.



In Singapore and Malaysia, BMU revenue grew 5.0% YoY to S\$321.5 million, with reportable segment profit after tax of S\$42.0 million, representing growth of 35.2% YoY. Demand for building materials in ready-mix concrete continued to be strong, led by public sector projects in Singapore. Our prefabrication business in R3 Precast was affected by the slow project off-take in the industry although the order book continues to grow. In Malaysia, notwithstanding challenges in rising energy and transportation costs with the removal of diesel subsidies, Tasek's profitability was lifted by higher sales volumes and selling prices, bolstered by the softening of coal prices.

The Company is pleased to announce an interim dividend of S\$0.01 per share.

Market Outlook

In China, Yuchai is doing well with strong unit sales growth in almost all segments. The key statistics from China Association of Automobile Manufacturers' Report shows commercial diesel vehicles unit sales growing at 4.4% YoY in 1H 2024. In July 2024, China's National Development and Reform Commission announced a RMB 300 billion stimulus programme to encourage businesses and consumers to scrap old vehicles and equipment and replace them for newer versions¹. The stimulus programme is seen as a net positive for the powertrain industry and is likely to be felt as business confidence improves and the programme is drawn down. In the meantime, Yuchai continues to invest in R&D initiatives to improve its powertrain portfolio, including the development of new energy solutions.

In Singapore, BMU in Singapore expects its order books in the Precast and Ready-Mix Concrete segments to continue to grow from public and private sector projects. This is in line with the Building and Construction Authority's projection of the total value of construction contracts to be awarded in 2024². Our innovation with the introduction of the larger 12 cubic metre ready-mix concrete trucks to counter a shortage of drivers has improved our operational efficiency and productivity gains.

In Malaysia, BMU in Malaysia ("**Tasek**") expects demand to continue to improve with the increased infrastructure development expenditure³. Overall costs are expected to rise with the recent removal of diesel subsidies. Tasek is focused on improving its operational efficiency and increasing the use of recycled materials as well as alternative raw materials and fuels in our ongoing efforts to be more sustainable.

Barring unforeseen circumstances, the Group expects its businesses to be on track to perform well in 2024.

¹ <https://www.globaltimes.cn/page/202407/1316751.shtml>

² <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024>

³ <https://www.mida.gov.my/mida-news/strong-spillover-from-mega-infrastructure-projects-in-q2/>



About Hong Leong Asia:

Hong Leong Asia Ltd. has been listed on the Singapore Exchange since 1998 and is part of Hong Leong Group, a Singapore-based conglomerate. We are a diversified Asian multinational with core businesses in building materials and powertrain solutions. 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> or follow us on LinkedIn.

About Hong Leong Group:

Headquartered in Singapore, the Hong Leong Group is a globally-diversified company with gross assets of over S\$40 billion in property investment and development, hotel ownership and management, financial services and industrial enterprises across Asia Pacific including China, the Middle East, Europe and North America.

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