



Media Release

Hong Leong Asia FY 2023 Attributable Net Profit Rises 19% to S\$64.9 million

Singapore, February 28, 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\$64.9 million for the full year ended 31 December 2023 (“FY 2023”), up 19.0% from FY 2022.

- Group revenue increased 5.2% YoY to S\$4.1 billion, underlined growth for both powertrain solutions (“Yuchai”) and building materials units (“BMU”). There was a sharp revenue growth in BMU as Tasek recorded a strong recovery.
- Net Profit Attributable to Shareholders grew 19.0% YoY to S\$64.9 million, helped by better margins as well as improved contributions from joint ventures and associates.
- First and final dividend of S\$0.02 per share, subject to shareholders’ approval.
- Yuchai recorded improved results as China’s market gradually recovered post lifting of Covid-related restrictions.
- Order books for BMU’s Precast, Ready-Mix Concrete (“RMC”) segments in both Singapore and Malaysia remained strong.

FY 2023 FINANCIAL SUMMARY

	Full Year ended 31 Dec 2023	Full Year ended 31 Dec 2022	+/-
	S\$’000	S\$’000	%
Revenue	4,081,454	3,881,141	5.2%
Net Profit	119,923	102,592	16.9%
Net Profit Attributable to Shareholders	64,879	54,538	19.0%
Earnings Per Share (cents)	8.67	7.29	18.9%
Dividends Per Share (cents)	2.00	2.00	-



The Group's profitability was helped by better margins at both Yuchai as well as BMU, which mitigated the impact of weaker forex translation as well as the impact of higher finance costs which rose by 27.9% YoY. Excluding one-off disposal gains in FY 2023 and FY 2022 respectively, Net Profit Attributable to Shareholders would have increased by 32.3% YoY.

Yuchai revenue grew 4.3% YoY to S\$3.4 billion, with reportable segment profit after tax of S\$76.5 million, up 14.1% YoY. While total number of engines sold in FY 2023 declined 2.4% YoY to 313,493 units, better average selling prices, higher gross margins on improved cost reduction efforts, improved sales mix towards marine and power generation markets with better performance from joint ventures boosted net profit.

BMU revenue grew 11.1% YoY to S\$650.6 million, with reportable segment profit after tax of S\$76.3 million, representing significant growth of 67.2% YoY. Demand for building materials remained strong in Singapore. Malaysia's improving building materials environment saw both higher volumes and selling prices, which allowed Tasek to return to a higher level of profitability compared to pre Covid-19 times. The industry continues to tackle challenges in supply chain uncertainties, rising costs in labour and energy inputs as well as tight credit conditions.

Market Outlook

In China, market recovery is still in its nascent stage and the Group expects the demand for medium and heavy-duty diesel engines for trucks and buses to improve gradually. While sentiment remain cautious with business confidence taking time to recover, Yuchai continues to invest in R&D to improve its powertrain portfolio including new energy solutions with Yuchai Xin-Lan New Energy Power Technology Co., Ltd focusing on full electric, range extenders, hybrids, hydrogen fuel cell systems and hydrogen engines.

In Singapore, BMU's order books in the Precast and RMC segments continue to be strong and the Group expects to benefit from public and private sector project launches, with the Building and Construction Authority's updated projection for the total value of local construction contracts awarded in 2024 to be between S\$32 billion and S\$38 billion¹. The Group's new investments in advanced automation such as the Integrated Construction and Prefabrication Hub in Punggol Barat and the RMC Ecosystem Batching Plant at Jurong Port have started commercial production. Productivity in RMC delivery has improved with a bigger fleet of 12 cubic metre RMC trucks.

¹ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024>



In Malaysia, while Tasek expects construction demand to hold firm as Malaysia's economy recovers, the overall credit environment remains a concern. Tasek remains focused on its sustainability agenda to improve its operational efficiency as well as the increased use of alternative raw materials and alternative fuels.

The Group's FY 2023 results demonstrate the resilience of HLA over the last six decades, pioneering innovative solutions with diversified operations interests across the Asia Pacific region. Notwithstanding evolving macro-environment, the Group will continue to focus on strengthening its market position and executing on our growth strategies. Looking ahead, the Group is cautiously optimistic that its businesses will perform satisfactorily in 2024 and will continue to collaborate with partners and customers to bring innovation to our markets for a sustainable future.

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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