HWA HONG CORPORATION LIMITED

69th Annual General Meeting

18 April 2022, 10am

Via Live Webcast and Audio

OUR FY2021 OPERATING PERFORMANCE

SGDm	FY2020	FY2021	Change
Revenues	10.3	10.1	(2%)
EBITDA	9.7	9.7	-
Gross profit ("GP")	11.3	5.6	(50%)
Net profit after tax ("NPAT")	4.2	5.8	39%
Earnings per share (cts)	0.64	0.88	37.5%
Net assets per share	28.66	28.53	(0.5%)

- **FY2021 revenue & EBITA remained relatively comparable for both years**
- **Decrease in GP (FY2021: S$5.6m, FY2020: S$11.3m)**
  - Net decreases in fair value of investment securities for fair value through profit and loss ("FVPL") investment
- **NPAT increased by 39% from S$4.2m in FY2020 to S$5.8m in FY2021**
  - Increase in share of results of associates and joint ventures from S$0.5m in FY2020 to S$2.8 million in FY2021
  - General & administrative expenses decreased from S$6.5m in FY2020 to S$5.8m in FY2021
  - Other operating costs decreased from S$5.1m in FY2020 to S$1.0m in FY2021
  - Finance costs decreased from $1.9m in FY2020 to $1.6m in FY2021;
  - Overprovision of tax in respect of previous years of S$1.0m in FY2021;partially offset by
  - Decrease in other income from S$7.0m in FY2020 to S$5.6m in FY2021

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OUR FY2021 FINANCIAL HIGHLIGHTS

Gearing	
Net gearing ratio[1]	41%
Total debt	S$76.3m
Net assets	S$186.2m
Cash	S$42.2m

Payout	
Payout ratio	113.64%
NPAT	S$5.8m
Dividend	S$6.5m
Dividend yield	3.0%

Market valuation	
P/BV (cost[2])	1.05x
P/BV (FMV[3])	0.69x
Market cap.	196m
Based on share price of S$0.30	

- **Strong balance sheet**
  - Fair value of commercial and residential properties recorded as S$240m as compared to book value of S$143m
    - S$97m of unrealised fair value reserves not reflected in balance sheet
  - Net gearing ratio of 41% declines to 27%, after adjusting for the aforesaid fair value reserves
  - Cash and bank balances of S$42.2m (FY2020: S$44.7m)

- **Dividend payout**
  - Ordinary dividend of 1 cent per share paid in May 2021
  - Ordinary dividend of 1 cent per share proposed for approval

Notes:
1. Defined as long and short-term bank loans plus bank overdrafts divided by shareholders' equity
2. Based on cost model accounting for Investment Properties
3. Based on fair market value of c.S$240m for Investment Properties, excluding tax effects and realignment of associates and JVs to the fair value model

Our Business in 2021

Key Developments in 2021








Kilmuir House
- Final planning expected by 3Q2022

Allen House
- Likely exit in 2022

DESIGN AND PLANNING

253 Jln Besar
- Construction delayed but expected to pick up with relaxation of safe management measures on worksites

20 Garrett Street
- Refurbishment expected to complete in 3Q2022

DEVELOPMENT & CONSTRUCTION

20 Midtown
- 4 floors currently being marketed for rent

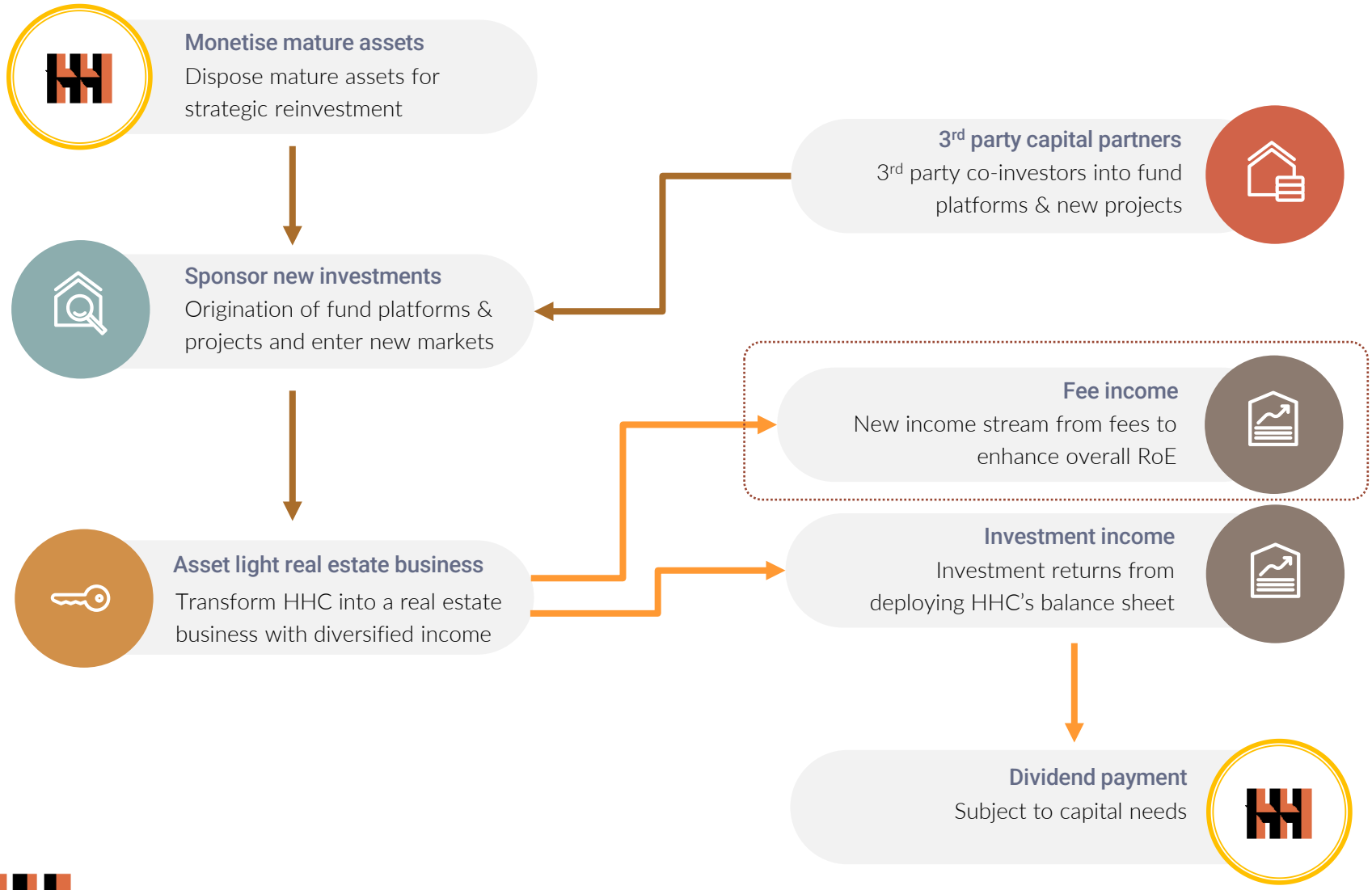
58 Queensgate
- Sold in 1Q of 2022

ASSET MANAGEMENT / DIVESTMENT

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LOOKING BEYOND 2022

OUR ROADMAP TO IMPROVING SHAREHOLDER RETURNS



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SHAREHOLDER COMMUNICATION (Q&A)

1. How is the status for the Jalan Besar property purchased?

   Company's reply

   Construction has picked up with the building likely to achieve TOP by late 2022.

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Thank you