

GENERAL ANNOUNCEMENT::MINUTES OF THE 63RD ANNUAL GENERAL MEETING HELD ON 25 APRIL 2024

Issuer & Securities

Issuer/ Manager

HONG LEONG ASIA LTD.

Securities

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Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment relating to the minutes of the 63rd Annual General Meeting held on 25 April 2024.

Attachments

[HLA - 63rd AGM Mins 20240425.pdf](#)

Total size = 1431K MB

HONG LEONG ASIA LTD.

Co. Reg. No. 196300306G
(Incorporated in the Republic of Singapore)

Minutes of the Sixty-Third Annual General Meeting (“AGM” or the “Meeting”) of HONG LEONG ASIA LTD. (“HLA” or the “Company”), duly convened and held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Thursday, 25 April 2024 at 3.00 p.m.

Present:

- Board of Directors** :
- Mr Kwek Leng Peck - Executive Chairman
 - Mr Stephen Ho Kiam Kong - Executive Director and Chief Executive Officer (“CEO”)
 - Ms Kwek Pei Xuan - Executive Director and Head of Sustainability and Corporate Affairs
 - Mr Tan Chian Khong - Lead Independent Director and Chairman of the Audit and Risk Committee
 - Ms Kwong Ka Lo @ Caroline Kwong - Independent Director and Chairman of the Board Sustainability Committee and the Nominating Committee
 - Mr Ng Sey Ming - Independent Director and Chairman of the Remuneration Committee and the Hong Leong Asia Share Option Scheme 2000 Committee
 - Datuk Maimoonah Binte Mohamed Hussain - Independent Director
- Shareholders and proxy holders : As per the attendance list
- Management : As per the attendance list
- In Attendance : Company Secretaries
Ms Jaslin Ng Siew Ping
Ms Joanne Yeo Swee Gim
- By Invitation : Auditors – Ernst & Young LLP
Mr Chan Yew Kiang
- : Independent Scrutineers - CACS Corporate Advisory Pte. Ltd.
Ms Mandy Ong

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COMMENCEMENT OF MEETING

- 1.1 The Chairman welcomed the shareholders to the AGM of the Company. He informed shareholders that they would be able to vote on the AGM resolutions once the AGM formally commenced and voting would close after the Question and Answer (“**Q&A**”) session.
- 1.2 The Chairman informed the Meeting that the Company had not received any questions from shareholders as at 11 April 2024, being the cut-off date for shareholders to submit questions. Shareholders would be invited to raise questions at the AGM during the Q&A session after all the resolutions had been proposed at the AGM.
- 1.3 As a quorum was present, the Chairman called the Meeting to order. He introduced Mr Stephen Ho Kiam Kong, an Executive Director and the CEO, Ms Kwek Pei Xuan, an Executive Director and Head of Sustainability and Corporate Affairs of the Company, and the other members of the Board of Directors (the “**Board**”) present at the AGM.
- 1.4 The Management team, the Company Secretaries and the representatives of the Company’s auditor, Ernst & Young LLP (“**EY**”), were also in attendance at the Meeting.

2. NOTICE

The Notice convening the Meeting (“**AGM Notice**”) which had been sent to all shareholders and was also published on the Company’s corporate website and on the website of Singapore Exchange (“**SGX**”) was taken as read.

3. PRESENTATION BY MANAGEMENT

- 3.1 The Chairman called upon the CEO to give a general overview of the Group’s business and financial performance for the financial year ended 31 December (“**FY**”) 2023 (the “**Group Performance**”).
- 3.2 The CEO gave a presentation on the Group Performance. At the invitation of the CEO, Ms Kwek presented on the Group’s sustainability initiatives and progress. A copy of the presentation slides (the “**Presentation**”) which is annexed to these minutes as **Annexure A** was released *via* SGXNet after the Meeting on 25 April 2024, and uploaded on the Company’s corporate website.
- 3.3 The Chairman thanked the CEO and Ms Kwek for their presentations.

4. VOTING

- 4.1 The Chairman informed that all resolutions tabled at the Meeting would be voted by way of poll in accordance with the Listing Manual of Singapore Exchange Securities Trading Limited and the Company’s Constitution. He also informed the Meeting that he had been appointed by numerous shareholders as their proxy and would be voting

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on all the resolutions in accordance with their specific instructions. He would also be proposing all the resolutions put forth at the AGM.

- 4.2 The Company had appointed Trusted Services Pte. Ltd. as the polling agent and CACS Corporate Advisory Pte Ltd as the independent scrutineers for the poll voting.
- 4.3 The Chairman informed shareholders that voting had commenced and that they could cast their votes during the AGM until three minutes after the end of the Q&A session.

ORDINARY BUSINESS:

5. ORDINARY RESOLUTION 1 DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR FY 2023 AND THE AUDITOR'S REPORT THEREON

- 5.1 The Chairman informed that Resolution 1 was to receive the Directors' Statement, Audited Financial Statements and the Auditor's Report thereon for FY 2023. The Annual Report 2023 of the Company ("AR") had been published on the Company's corporate website and on SGX website.

- 5.2 He proposed the following motion:

"That the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries (the "**Group**") for FY 2023 together with the Auditor's Report thereon be and are hereby received."

6. ORDINARY RESOLUTION 2 FIRST AND FINAL DIVIDEND

The Chairman proposed the following motion:

"That a first and final one-tier tax exempt dividend of 2 cents per ordinary share in respect of FY 2023 as recommended by the Directors be and is hereby declared for payment on 15 May 2024 to the shareholders registered on 6 May 2024."

7. ORDINARY RESOLUTION 3 DIRECTORS' FEES

The Chairman proposed the following motion:

"That the Directors' Fees of \$627,666 for FY 2023 be and are hereby approved."

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8. ORDINARY RESOLUTIONS 4(a), 4(b) AND 4(c) RE-ELECTION OF DIRECTORS

8.1 The Chairman informed that Mr Stephen Ho, Ms Caroline Kwong and himself would retire by rotation in accordance with the Company's Constitution at the AGM. They being eligible for re-election, had offered themselves for re-election. Information on the Directors seeking re-election could be found under the sections on 'Board of Directors' and 'Additional Information on Directors Seeking Re-election' in the AR as well as under notes 3 to 5 of the AGM Notice. The Nominating Committee, with Ms Kwong and himself abstaining in respect of their own re-election, had recommended the re-election of these Directors.

8.2 The Chairman proposed the following motions:

- (a) "That Mr Kwek Leng Peck who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company."
- (b) "That Mr Stephen Ho Kiam Kong who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company."
- (c) "That Ms Kwong Ka Lo @ Caroline Kwong who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company."

9. ORDINARY RESOLUTION 5 RE-APPOINTMENT OF AUDITOR

9.1 The Chairman informed that the Audit and Risk Committee had recommended the re-appointment of EY as Auditor of the Company and EY had expressed their willingness to be re-appointed.

9.2 The Chairman proposed the following motion:

"That Ernst & Young LLP, Public Accountants and Chartered Accountants, be and is hereby re-appointed as Auditor of the Company to hold office until the conclusion of the next AGM and that the Directors be authorised to fix their remuneration."

SPECIAL BUSINESS:

10. ORDINARY RESOLUTION 6 AUTHORITY FOR DIRECTORS TO ISSUE SHARES AND/OR MAKE OR GRANT OFFERS, AGREEMENTS OR OPTIONS PURSUANT TO SECTION 161 OF THE COMPANIES ACT 1967 AND THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

10.1 The Chairman informed that Resolution 6 would empower the Directors from the date of this Meeting until the next AGM to issue shares and/or make or grant Instruments (as defined below) that might require shares to be issued up to a number not exceeding 50% of the Company's total number of issued shares, excluding treasury shares and

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subsidiary holdings, with a limit of 20% for any issue of shares not made on a *pro rata* basis to shareholders. This authority would expire at the next AGM of the Company, unless revoked or varied at a general meeting.

10.2 The Chairman proposed the following motion:

“That authority be and is hereby given to the Directors to:

- (a) (i) issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

- (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution is in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Ordinary Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 50% of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 20% of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, of the Company at the time this Ordinary Resolution is passed, after adjusting for:

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(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

and, in sub-paragraph (1) above and this sub-paragraph (2), “**subsidiary holdings**” has the meaning given to it in the Listing Manual of SGX-ST;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”), the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting (“**AGM**”) of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.”

11. ORDINARY RESOLUTION 7

AUTHORITY FOR DIRECTORS TO OFFER AND GRANT OPTIONS TO ELIGIBLE PARTICIPANTS UNDER THE HONG LEONG ASIA SHARE OPTION SCHEME 2000 (THE “SOS”) OTHER THAN PARENT GROUP EMPLOYEES AND PARENT GROUP NON-EXECUTIVE DIRECTORS AND TO ISSUE SHARES IN ACCORDANCE WITH THE PROVISIONS OF THE SOS

11.1 The Chairman informed that Resolution 7 would empower the Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue Shares pursuant to the exercise of such options subject to such limits as prescribed in the SOS.

11.2 The Chairman reminded shareholders on the voting restrictions pursuant to Rule 859 of the Listing Manual of SGX-ST. Shareholders who were eligible to participate in the SOS and were not Parent Group Employees or Parent Group Non-Executive Directors, must not vote on this resolution unless they were acting as proxies for shareholders who did not have any personal interest in this resolution and who had given specific instructions on how their votes were to be cast.

11.3 The Chairman proposed the following motion:

“That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Hong Leong Asia Share Option Scheme 2000 (the “**SOS**”) to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors (each as defined under the terms of the SOS) and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options granted under the SOS,

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provided that the aggregate number of Shares to be issued pursuant to the SOS shall not exceed 15% of the total number of issued Shares excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST), of the Company from time to time.”

12. ORDINARY RESOLUTION 8 RENEWAL OF SHARE PURCHASE MANDATE

12.1 The Chairman informed that the Share Purchase Mandate, which was renewed at the last AGM of the Company held on 26 April 2023, would expire at this AGM. Resolution 8 would empower the Directors to purchase or otherwise acquire issued Shares from time to time. Such authority would continue in force until the next AGM of the Company, unless revoked or varied at a general meeting. The rationale and terms of the Share Purchase Mandate were set out in Annexure 1 of the Letter to Shareholders dated 27 March 2024 which had also been published on the Company’s corporate website and on SGX website.

12.2 The Chairman proposed the following motion:

“That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) market purchase(s) on SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted (“**Other Exchange**”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may, in their absolute discretion, deem fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally (the “**Share Purchase Mandate**”);

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- (b) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of the Company is held or required by law to be held;
 - (ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or
 - (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Ordinary Resolution:

“Average Closing Price” means the average of the closing market prices of a Share for the five consecutive market days on which the Shares are transacted on SGX-ST or, as the case may be, Other Exchange immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of SGX-ST for any corporate action which occurs during the relevant five-day period and the day on which the purchase is made;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share, and the relevant terms of the equal access scheme for effecting the off-market purchase;

“Maximum Limit” means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST)) as at the date of the passing of this Ordinary Resolution; and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties (if applicable), commission, applicable goods and services tax and other related expenses (if applicable)) which shall not exceed:

- (i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares; and

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- (d) the Directors any and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

13. ORDINARY RESOLUTION 9 RENEWAL OF SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS (“IPT”)

- 13.1 The Chairman informed that the IPT Mandate, which was last renewed at the Company’s AGM in 2023, would expire at this AGM. The IPT Mandate, if approved, would continue in force until the next AGM of the Company, unless revoked or varied at a general meeting. Information relating to the IPT Mandate had been set out in Annexures 2 and 3 of the Letter to Shareholders dated 27 March 2024.
- 13.2 The Chairman further informed that the Directors, CEO and those companies under the Hong Leong Investment Holdings Pte. Ltd. group that held Shares as well as the controlling shareholders of the Company and their associates had abstained from voting on Resolution 9.
- 13.3 The Chairman proposed the following motion:

“That:

- (a) approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of SGX-ST, for the Company, its subsidiaries and its associated companies that are not listed on SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or its interested person(s), have control, or any of them, to enter into any of the transactions falling within the category of Interested Person Transactions, particulars of which are set out in the Letter to Shareholders dated 27 March 2024 (the “**Letter to Shareholders**”) with any party who is of the class or classes of Interested Persons described in the Letter to Shareholders; provided that such transactions are entered into in accordance with the review procedures for Interested Person Transactions as set out in the Letter to Shareholders, and that such approval (the “**IPT Mandate**”), shall unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company; and
- (b) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution.”

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14. Q&A SESSION

As all Resolutions had been proposed, the Chairman proceeded to take questions from the shareholders and/or their proxies. A summary of the questions and answers is set out below:

- 14.1 A shareholder complimented the Management for presenting a good set of results amidst the difficult business environment. He also congratulated the Management and the Board for achieving many awards, as set out on slide 7 of the Presentation, in 2023. He referred the Board to page 8 of the AR and would like to know more about the 'unparalleled opportunity to grow our business' as stated therein, and the opportunity/profitability the Company could derive therefrom.

The CEO explained that 'unparalleled opportunity' referred to the opportunities that the Group sees from the urbanisation of cities in China, Malaysia and Singapore where the Group operates. The governments of these countries are working towards implementing cleaner solutions to build cities of the future. As reported by the Building and Construction Authority, the construction output had surpassed its forecast for 2023 and he believed that the next two years would likely be the same. The Housing and Development Board was ramping up its public housing projects. The Group viewed the above as opportunities for its Powertrain Solutions Unit ("Yuchai") and the Building Materials Unit ("BMU"). As regards profitability, the Chairman said that the Group would not provide a profit forecast. The Group would continue to strive for further growth and development.

- 14.2 The shareholder would also like to understand why the Group was at Net Cash position and yet there was Interest Paid as shown on slides 2 and 4 of the Presentation respectively. He further enquired on the Company's exposure should the interest rate keep rising and its exposure in China having read about the China real estate ("RE") problem.

The Chairman explained that at the Group level, it was at Net Cash position. There were some bank loans taken by both the Company and its subsidiaries. With the interest rate rising, the finance cost would inevitably be higher. Nonetheless, as the Group was profitable, there were sufficient profits to pay the interest. He was of the view that the interest rate should stabilise.

As regards the China RE problem, the Chairman said that the Group is not in RE business or consumer business which could be affected by consumers tightening their spending if they were affected by the China RE problem. The Group's business in China was mainly supplying powertrain solutions for trucks and buses as well as marine and power generators for the industrial markets.

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- 14.3 A shareholder requested the Company to provide breakdown of the Group's workforce in its future annual reports in view of the nature of the Group's business. She also asked on the Company's precast business exposure should steel price go up.

In response to the shareholder's first question, Ms Kwek referred the shareholder to the Company's Sustainability Report 2023 (a copy is available on the Company's website and SGX website) under the section on 'Empowering our People & Communities' which provided an overview of the Group's employees by age groups. She assured the shareholder that Management would be looking into the Group's employee profile for the different business units as the next generation of workforce is important to the Group.

Regarding the precast business exposure, the Chairman said that the Company's profit margin would be affected if it is not able to pass on the increased cost of steel. Nonetheless, he was of the view that steel price was currently quite stable with China's property market slowing down.

- 14.4 The shareholder further enquired if the construction industry boom and steel price continued to increase, would the Company hedge against the price increase.

The CEO replied that the Company committed projects based on fluctuating price basis. Accordingly, the increased cost, if any, could be reflected in the selling prices.

- 14.5 A shareholder having noted from Ms Kwek's presentation that one of the Group's key 2023 sustainability initiatives was to produce wind turbine shafts for the Chinese market, asked whether HLA would be moving into the renewable energy market in a big way and whether it would help to contribute to the growth of the Group's performance. The shareholder also noted from the CEO's presentation that Yuchai/Powertrain Solution's revenue for the second half ("2H") of 2023 had grown. However, its profit after tax had dropped by 23.4% as compared to 2H 2022 and would like to know the reason.

Ms Kwek responding to the first question said that this project was one of the examples of the Group's strategy towards sustainability commitment. However, it was still at a very early stage. There were challenges in such technology and the Group needed to do more due diligence and to understand the needs of its customers. As the Group works towards its sustainability commitments beyond 2025, it would consider renewable energy as a key trend over the longer term.

In response to the shareholder's query on Yuchai's performance, the CEO explained that the market started to pick up in 2H 2023. However, the recovery was still very slow coupled with intense competition. Yuchai was also looking at launching some of its new products such as the natural gas engines in 2024.

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- 14.6 A proxy thanked the Company for the improved performance for FY 2023 as compared to FY 2022. However, he noted that the dividend rate remained the same and asked whether the dividend payment was based on a fixed quantum or payout ratio. As he had been a long-time investor of HLA, he recalled at one stage, the share price of HLA had gone up to above \$4 per share. However, the current share price was around 60 cents per share. He commented that one of the ways to attract investors was through dividend payout and asked for Management's plan to attract investors and/or increase the value to shareholders.

The Chairman responded that the Company's dividend payment is dependent on considerations such as the Group's earnings, working capital and investment requirements which included taking Tasek Corporation Berhad private as well as acquisition of BRC Asia Limited shares (the "**BRC Acquisition**"). The Board endeavoured to pay steady dividend of at least once a year and had been consistently paying dividend at a rate of 2 cents per Share for the past few years. He also explained that the share price was higher previously as it was based on a different capital base of less than 400 million Shares. Following the Rights Issue in 2018, the number of issued Shares had increased to 748 million. Correspondingly, the net asset value per Share was lower based on the enlarged number of issued Shares. The Board would review the dividend rate when the Group's earnings base has increased.

- 14.7 A proxy noted that the Group was in Net Cash position with large cash balance held under its subsidiary in China. However, at the Company level, it had debts owing. He therefore enquired whether there was any possibility for the Company to use the said cash balances to pay down some of the debts or natural hedging to bring down the interest cost.

The Chairman replied that the large cash balance was from Yuchai, which required large cash outlay to sustain its powertrain solutions operation, a heavy industry business. It requires large capital expenditures for its development of new engines and new energy solutions such as fuel cells. He explained that the Company was in Net Debt position as it had, in part, used borrowings to make payments for acquisitions such as the BRC Acquisition, and building the Integrated Construction and Prefabrication Hub (ICPH) in Punggol. He assured the shareholder that it was the Board's intention to lower the debts as and when earnings improved.

15. POLLING

- 15.1 As all the items of the agenda in the AGM Notice had been dealt with, the Chairman reminded the shareholders to cast their votes on the Resolutions, if not already done so.
- 15.2 Voting on the Resolutions closed three minutes from the end of the Q&A session and the poll voting results, duly verified, were set out below:

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Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Ordinary Business – Ordinary Resolutions					
<u>Resolution 1</u> Receipt of the Directors' Statement, Audited Financial Statements and the Auditor's Report thereon	598,760,371	598,736,371	100.00	24,000	0.00
<u>Resolution 2</u> Declaration of a First and Final Dividend	599,188,589	599,164,589	100.00	24,000	0.00
<u>Resolution 3</u> Approval of Directors' Fees	599,169,789	599,120,789	99.99	49,000	0.01
<u>Resolution 4(a)</u> Re-election of Mr Kwek Leng Peck as Director	590,304,089	587,751,989	99.57	2,552,100	0.43
<u>Resolution 4(b)</u> Re-election of Mr Stephen Ho Kiam Kong as Director	599,071,289	598,836,389	99.96	234,900	0.04

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Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Ordinary Business – Ordinary Resolutions (Cont'd)					
<u>Resolution 4(c)</u> Re-election of Ms Kwong Ka Lo @ Caroline Kwong as Director	599,174,789	586,353,943	97.86	12,820,846	2.14
<u>Resolution 5</u> Re-appointment of Ernst & Young LLP as Auditor	599,174,789	599,173,289	100.00	1,500	0.00
Special Business – Ordinary Resolutions					
<u>Resolution 6</u> Authority for Directors to issue Shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act and the Listing Manual of SGX-ST	599,102,789	586,237,643	97.85	12,865,146	2.15

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Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Special Business – Ordinary Resolutions (Cont'd)					
<u>Resolution 7</u> Authority for Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue Shares in accordance with the provisions of the SOS	589,879,589	574,794,016	97.44	15,085,573	2.56
<u>Resolution 8</u> Renewal of Share Purchase Mandate	599,102,789	599,101,289	100.00	1,500	0.00
<u>Resolution 9</u> Renewal of IPT Mandate for Interested Person Transactions	27,062,932	27,061,432	99.99	1,500	0.01

HONG LEONG ASIA LTD.

Co. Reg. No. 196300306G

Minutes of the 63rd Annual General Meeting held on 25 April 2024 – cont'd

- 15.3 Based on the poll voting results, the Chairman declared each of all the Ordinary Resolutions tabled at the Meeting carried by a majority vote.

16. CONCLUSION

The Chairman, on behalf of the Board, thanked the shareholders for their attendance at the AGM and support for the Company. He declared the Meeting closed at 4.10 p.m.

Read and signed as correct
(Signed by Mr Kwek Leng Peck)

Chairman



HONG LEONG ASIA LTD.

63RD ANNUAL GENERAL MEETING CEO REVIEW

25 APRIL 2024 | MR. STEPHEN HO, CEO

2023 FINANCIALS

	2H 2023	2H 2022	Change (%)	FY 2023	FY 2022	Change (%)
Revenue (S\$'000)	2,006,369	1,784,564	12.4%	4,081,454	3,881,141	5.2%
Net Profit (S\$'000)	55,802	38,556	44.7%	119,923	102,592	16.9%
Net Profit Excluding Discontinued Operation (S\$'000)	55,836	38,766	44.0%	120,090	102,917	16.7%
Net Profit Attributable to Shareholders (S\$'000)	34,085	11,959	185.0%	64,879	54,538	19.0%
Earnings Per Share (Cent)	4.56	1.60	185.0%	8.67	7.29	18.9%
Dividends Per Share (Cent)				2.00	2.00	-
Net Cash Flow Generated from Operating Activities (S\$'000)				362,039	37,649	861.6 %
				31 Dec 2023	31 Dec 2022	Change (%)
Net Debt ¹ / Equity Ratio				(0.39)	(0.16)	143.8%
Net Debt ² / Equity Ratio				1.75	1.81	(3.3%)

¹ Net Debt is defined as Loans and Borrowings, less Cash and Deposits. The Group is in a Net Cash position of S\$346M (31 Dec 2022: S\$143M)

² Net Debt is defined as Trade and Other Liabilities and Loans and Borrowings, less Cash and Deposits and does not include Trade and Other Receivables. Including Trade and Other Receivables, the Group is in a Net Cash Position of S\$252M (31 Dec 2022: Net Cash Position of S\$33M)

KEY SEGMENT RESULTS

	Unless specified, figures are in S\$'000	2H 2023	2H 2022	Change (%)	FY 2023	FY 2022	Change (%)
Powertrain Solutions	Volume (Units)	147,700	140,345	5.2%	313,493	321,256	(2.4%)
	Revenue	1,647,825	1,465,050	12.5%	3,403,538	3,263,272	4.3%
	Profit After Tax	28,384	37,047	(23.4%)	76,454	66,991	14.1%
Building Materials	Revenue	344,326	303,402	13.5%	650,596	585,417	11.1%
	Profit After Tax	45,244	16,970	166.6%	76,276	45,626	67.2%
Rigid Packaging	Revenue	11,020	12,567	(12.3%)	21,451	25,747	(16.7%)
	(Loss)/Profit After Tax	(983)	(1,626)	(39.5%)	(2,181)	8,228 ¹	N.M
Corporate and Others	Revenue	3,198	3,545	(9.8%)	5,869	6,705	(12.5%)
	Loss After Tax	(16,809)	(13,625)	23.4%	(30,459)	(17,928)	69.9%

Note 1: Profit after tax for FY 2022 included gain on disposal of assets held-for-sale of S\$10.5 million.

KEY HIGHLIGHTS OF CASH FLOW

	FY 2023 (S\$'000)	FY 2022 (S\$'000)
Operating Cash Flow before Working Capital Changes	380,177	343,032
Net Cash Flow Generated from Operating Activities	362,039	37,649
(Less)/Add:		
Capital Expenditure (PPE and Intangible Assets)	(100,471)	(149,980)
Net Cash Inflow from Disposal/Liquidation of Subsidiaries, Associate, PPE, Right-of-Use Assets, Assets classified as held-for-sale and Other Investments	4,904	15,353
Contribution by Non-Controlling Interests	3,779	10,913
Additional Investment in Associates and Joint Ventures	(1,228)	(1,072)
Dividends Received from Associates, Joint Ventures and Other investments	10,010	8,729
Dividends Paid to Shareholders of the Company	(14,960)	(14,958)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(15,125)	(33,419)
Net Proceeds from Shares Issue	-	39
Net Increase from Borrowings	31,140	19,065
Net (Placement)/Release of Deposits with Banks	(18,243)	29,386
Interest Paid, Net	(8,726)	(4,075)
Repayment of Obligations under Lease Liabilities	(12,867)	(12,905)
Net Cash Flow	240,252	(95,275)
Free Cash Flow	261,568	(112,331)

KEY BUSINESS UPDATES

Business Segment

Business Updates

Powertrain Solutions

- 313,493 engine units sold in FY 2023, a decrease of 2.4% YoY. Volume growth recovered 2H 2023, with 147,700 engine units sold, an increase of 5.2% YoY.
- Higher gross margins on improved cost reduction efforts, improved sales mix towards marine and power generation markets plus better performance from joint ventures boosted net profit.
- R&D initiatives to develop New Energy powertrains such as hybrids, integrated electric drive axles, hydrogen fuel cell systems and hydrogen powered engines.

Some Key Developments:

- ❖ Tsinghua University R&D partnership to develop high performance fuel cell stacks and systems, with production base in Wuxi High Tech Zone.
- ❖ SANY Group's 12 cubic metre concrete mixer trucks – Significant fuel savings using Yuchai's S06-100kW P1 parallel hybrid powertrain system.
- ❖ Liugong Tractors - a 350-Horsepower Electric Hybrid CVT Powertrain. (large-size hybrid tractor)
- ❖ Xing Yun Cloud Technology Co to develop proprietary operating systems to enable data analytics for smart and connected solutions for both on-road and off-road vehicles and machineries.

KEY BUSINESS UPDATES

Business Segment

Business Updates

Building Materials

- Demand for concrete and related products in Singapore and Malaysia remained strong. Malaysia's improved buildings materials environment saw both higher volumes and improved prices which allowed Tasek to return to a higher profitability compared to pre Covid period.
- BMU's order books in the Precast and RMC segments in Singapore continue to benefit from public and private sector project launches.
- In Malaysia, Tasek (integrated cement plant and RMC) expects demand to continue to be strong given increased development expenditure as per Malaysia's 2024 budget. Tasek will continue to expand its footprint and work to increase use of alternative fuels and alternative raw materials.
- Digitalisation of business processes and automation to help improve efficiency levels.

Some Key Developments:

- ❖ Group's Integrated Construction and Prefabrication Hub manufacturing facility in Punggol and RMC Ecosystem Batching Plant at Jurong Port have both begun commercial production. Higher scale, investments in automation will help position us as leading players in Singapore.
- ❖ Productivity in RMC delivery being improved with greater use of 12 cubic metre trucks.

2023 AWARDS & ACCOLADES



- Awarded “**Best Managed Board**” (Silver Award, S\$300 million to less than S\$1 billion market capitalization category, “Mid-cap”) by Singapore Corporate Awards 2023
- Awarded “**Best Annual Report**” (Bronze Award, Mid-cap) by Singapore Corporate Awards 2023
- Awarded “**Best Annual Report**” (Gold Award, Print Media, Publications) at the International Hermes Creative Awards 2023
- Ranked “**16th out of 517 public listed companies**” in the 2023 Governance and Transparency Index published by NUS Business School’s Centre for Governance Institutions and Organisations
- Named **Asia’s 275 leading public-listed companies** on the second edition of the Financial Times-Statista Asia Pacific Climate Leaders List for achieving the greatest reduction in Scope 1 and 2 greenhouse gas emissions intensity between 2016 and 2021
- Ranked 61st in The Straits Times “Singapore’s Best Employers Survey 2023” amongst 250 companies

SUSTAINABILITY

At HLA, our vision is to develop and deliver sustainable and innovative urban solutions for cities of the future.

In pursuit of this vision, we are committed to integrating sustainability into our business strategy. Empowering our people and driving innovation in low carbon and circular solutions for the built environment and transport sectors are crucial focus areas of our strategy.

Achieving our vision will not be easy. It will require investment, concerted effort and time, but it is an imperative for HLA given the global and local sustainability contexts facing our businesses.

We are committed to achieving the following focus Sustainable Development Goals throughout our operations and in our strategy:



DRIVING INNOVATION FOR A LOW-CARBON AND CIRCULAR ECONOMY

EMPOWERING OUR PEOPLE AND COMMUNITIES

BUILDING RESILIENCE FOR THE LONG-TERM

KEY 2023 INITIATIVES

- *CYI/GYMCL* – Established 2nd research and development base in Wuxi High Tech Zone, collaborating with Tsinghua University to develop high performance fuel cell stacks and systems.
- *CYI/GYMCL* – Eliminated coal in the blast furnace operations for engine casting of the Yulin plant.
- *CYI/GYMCL* – Established subsidiary, Guangxi Foundry Company Ltd. to tap on GYMCL’s engine casting capabilities to produce wind turbine shafts for the Chinese market.
- *BMU, Malaysia* – Surpassed alternative raw materials usage target in the calcination process two years ahead of time by over 25%.
- *HLA* – Completed first Scope 3 emissions data collection exercise.
- *HLA* – Launched the BeyondHLA Impact Programme to drive positive environmental and social impact initiatives and innovative solutions.
- *HLA* – Established a Board Sustainability Committee
- *HLA* – Launched Supplier Code of Conduct policy reflecting ESG criteria and screened 106 high value suppliers.
- *HLA* – Launched Occupational, Health and Safety policy.
- *BMU, Singapore* – All operating sites in Singapore are fully certified to ISO45001.

THANK YOU

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