

## Issuer & Securities

### Issuer/ Manager

HONG LEONG ASIA LTD.

### Security

HONG LEONG ASIA LTD. - SG1F76860344 - H22

## Announcement Details

### Announcement Title

Annual General Meeting

### Date & Time of Broadcast

18-Jun-2020 18:20:59

**REPL::ANNUAL GENERAL MEETING::VOLUNTARY**

Replacement

### Announcement Reference

SG200527MEETD3B6

### Submitted By (Co./ Ind. Name)

Ng Siew Ping, Jaslin

### Designation

Company Secretary

### Financial Year End

31-Dec-2019

## Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached announcement on resolutions passed at the 59th Annual General Meeting of the Company held on 18 June 2020 ("AGM"). The presentation given by Mr Tan Eng Kwee, a Director and the Chief Executive Officer of the Company, at the AGM is also attached.

## Event Dates

### Meeting Date and Time

18-Jun-2020 10:00:00

### Response Deadline Date

15-Jun-2020 10:00:00

## Event Venue(s)

## Place

Venue(s)	Venue details
Meeting Venue	The 59th Annual General Meeting ("AGM") of the Company will be conducted by way of electronic means. Shareholders will not be able to attend the AGM in person. Please refer to the Announcement relating to AGM to be held on 18 June 2020 for details on how to participate in the AGM.

## Attachments

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[Results%20of%2059th%20AGM HLA 18.06.2020.pdf](#)

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[HLA%2059th%20AGM%20CEO Final%203 TEK.pdf](#)

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Total size =5455K MB

## Related Announcements

## Related Announcements

[18/06/2020 06:58:20](#)

[27/05/2020 06:57:13](#)

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**RESOLUTIONS PASSED AT THE 59<sup>TH</sup> ANNUAL GENERAL MEETING OF HONG LEONG ASIA LTD. HELD ON 18 JUNE 2020**

The Board of Directors of Hong Leong Asia Ltd. (the “**Company**”) wishes to announce that at the Company’s 59<sup>th</sup> Annual General Meeting held today, 18 June 2020 through electronic means via live audio-visual webcast and live audio-only stream (“**AGM**”), all resolutions referred to in the Notice of the AGM dated 27 May 2020 were duly passed based on the proxy votes cast which had been reviewed by the polling agent and verified by the scrutineers.

(a) The results of the votes cast on each of the AGM ordinary resolutions are set out below:

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 (%)
<b>Ordinary Business – Ordinary Resolutions</b>					
<b>Resolution 1</b> Adoption of the Directors’ Statement and Audited Financial Statements together with the Auditor’s Report thereon	590,930,888	590,758,788	99.97	172,100	0.03
<b>Resolution 2</b> Declaration of a First and Final Dividend	590,930,888	590,930,888	100	0	0
<b>Resolution 3</b> Approval of Directors’ Fees and Audit and Risk Committee Fees	590,930,888	590,930,888	100	0	0
<b>Resolution 4(a)</b> Re-election of Mr Kwek Leng Peck as Director	587,104,288	581,532,226	99.05	5,572,062	0.95
<b>Resolution 4(b)</b> Re-election of Mr Ng Sey Ming as Director	590,930,888	585,358,826	99.06	5,572,062	0.94

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 (%)
<b>Ordinary Business – Ordinary Resolutions</b>					
<b>Resolution 5</b> Re-appointment of Ernst & Young LLP as Auditor	590,930,888	590,930,888	100	0	0
<b>Special Business – Ordinary Resolutions</b>					
<b>Resolution 6</b> Authority for Directors to issue shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and the Listing Manual of Singapore Exchange Securities Trading Limited	590,930,888	585,311,034	99.05	5,619,854	0.95
<b>Resolution 7</b> 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	587,023,288	576,169,316	98.15	10,853,972	1.85
<b>Resolution 8</b> Extension of the SOS	23,358,631	12,617,059	54.01	10,741,572	45.99
<b>Resolution 9</b> Renewal of Share Purchase Mandate	590,774,444	590,774,444	100	0	0
<b>Resolution 10</b> Renewal of IPT Mandate for Interested Person Transactions	23,917,631	23,917,631	100	0	0

(b) Details of parties who abstained from voting on the following resolutions:

<b>Details of Party(ies)</b>	<b>Number of shares held (in own name and/or name of nominee)</b>	<b>Resolution number</b>
Mr Kwek Leng Peck	3,826,600	4(a), 7, 8 and 10
Mr Tan Eng Kwee	1,000	7, 8 and 10
Mr Ernest Colin Lee	80,000	7, 8 and 10
Directors/Employees of Hong Leong Investment Holdings Pte. Ltd. (“ <b>HLIH</b> ”) group of companies (being eligible participants under the SOS), who provided proxy for the voting of resolutions proposed at the AGM	559,000 (aggregate number of shares)	8
HLIH group of companies	562,865,657 (aggregate number of shares)	8 and 10
Associate of a Director who is also director/employee of HLIH group of companies (being a eligible participant under the SOS), who provided proxy for the voting of resolutions proposed at the AGM	240,000	8 and 10

### **Appointment of Scrutineer**

DrewCorp Services Pte Ltd was appointed the Scrutineer for the AGM, and is independent of Trusted Services Pte Ltd which was appointed as the polling agent for the AGM.

### **Re-election of Directors to the Audit and Risk Committee (“ARC”)**

Pursuant to Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited, we wish to inform that Mr Ng Sey Ming who was re-elected as a Director of the Company at the AGM, will remain as a member of the ARC. The Board considers Mr Ng to be independent.

By Order of the Board  
HONG LEONG ASIA LTD.

Ng Siew Ping, Jaslin  
Yeo Swee Gim, Joanne  
Company Secretaries

18 June 2020  
Singapore



# HONG LEONG ASIA LTD

## 59<sup>th</sup> Annual General Meeting

18 June 2020 | Mr Tan Eng Kwee - CEO

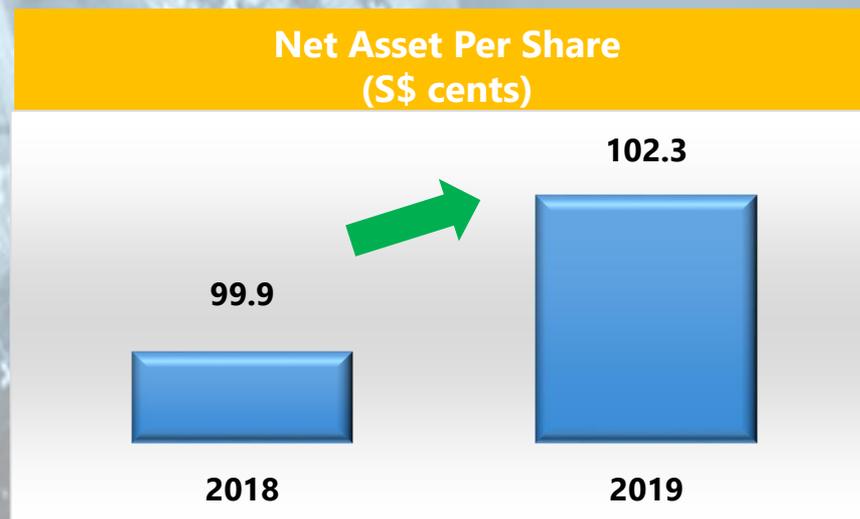
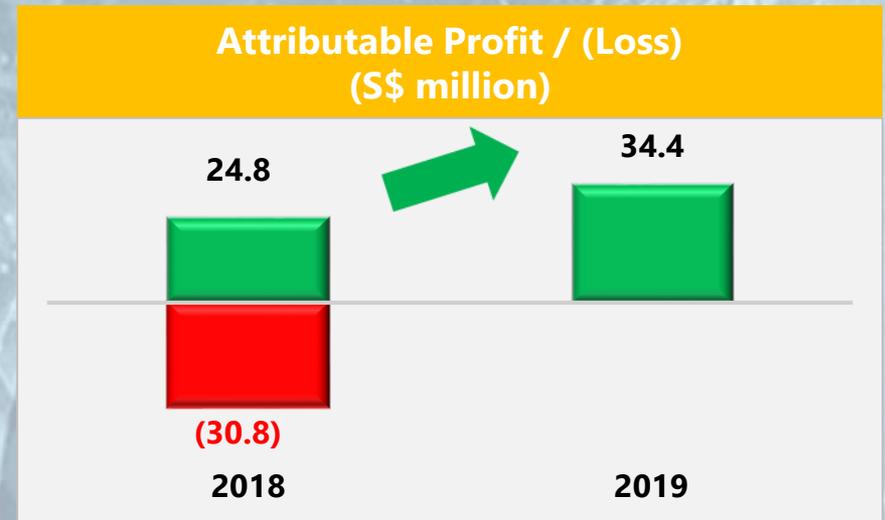
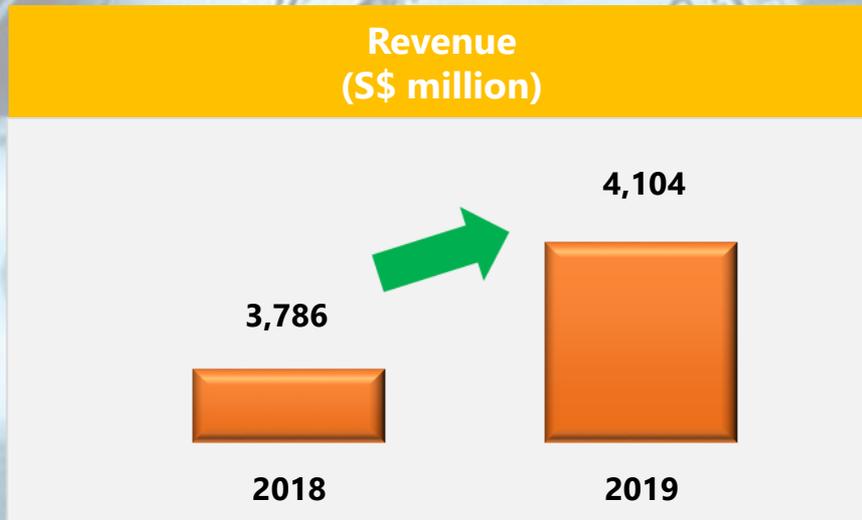


# HLA Group Financials



# PATMI rose 39% YoY to S\$34.4m

(continuing business only)





# Macroeconomic Factors and Business Environment



# Microeconomic Factors & Business Environment

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The business environment across all sectors of the Group's businesses were challenging, affected by several macroeconomic factors

**R**

Regulatory – permits, licences, emission standard, labour, taxes, subsidies

**O**

Oil - Saudi–Russia spat, shale oil boom, economic slowdown \*

**S**

Supply Chain – trade tension, global trade decoupling

**F**

Foreign Exchange – weaknesses of regional currencies \*

**E**

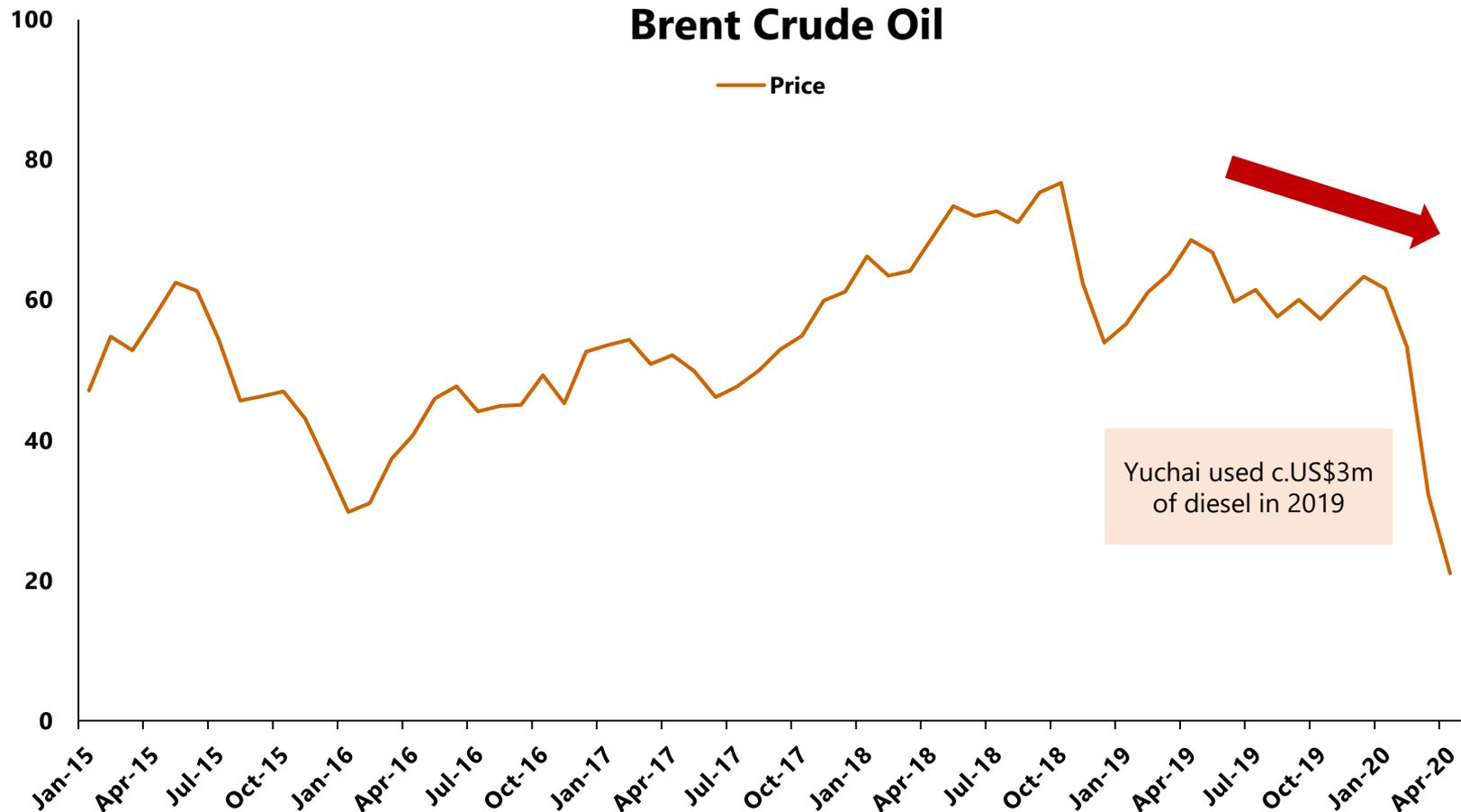
Economy – slowdown, employment \*

**D**

Demand – low disposal income, high household debt, property overhang, uncertainty

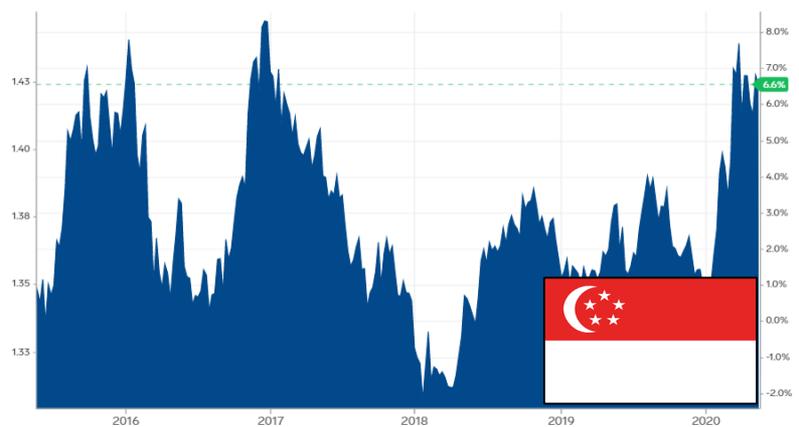
# Crude Oil Prices from 2015 to April 2020

Economic slowdown, shale oil and Saudi-Russia spat resulted in supply of oil exceeding demand which caused a sharp decline in price of crude oil



# Exchange Rates

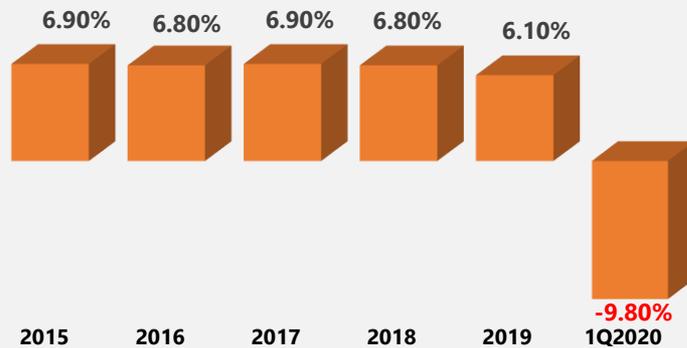
## Regional currencies weakened against the USD



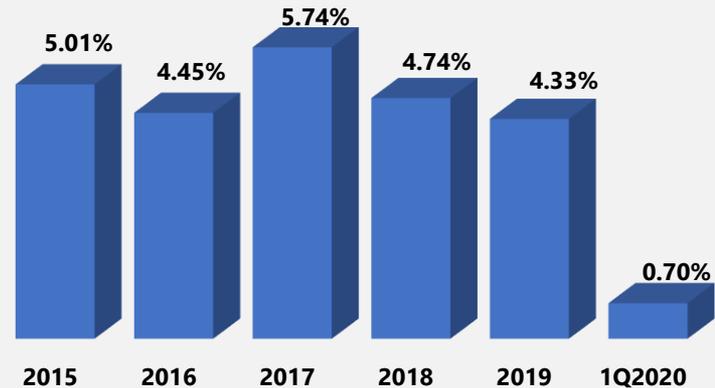
# Growth Rate: China, Malaysia and Singapore

Growth continued to slow in the countries where the Group operates

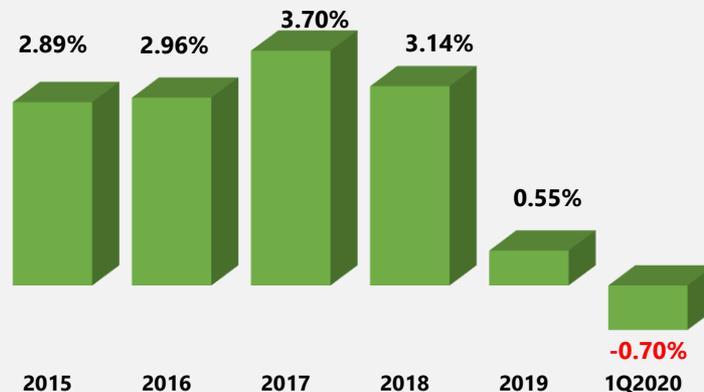
## China GDP



## Malaysia GDP



## Singapore GDP



卓越动

# Diesel Engines

**China Yuchai  
International**



# Diesel Engines

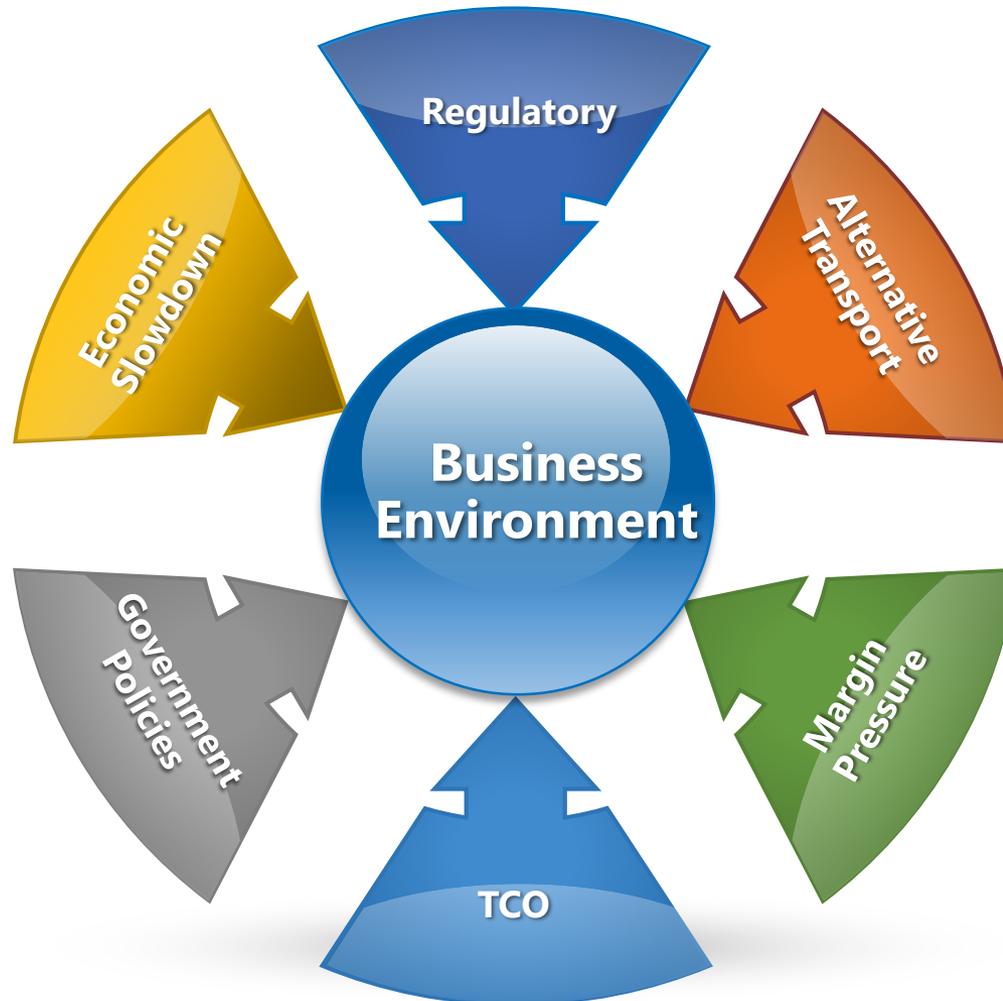
## BUSINESS ENVIRONMENT

国际玉柴



# Business Environment

The diesel engine industry faced challenging business conditions but favourable government policies, imminent change in emission standard & lower TCO were positive developments



# Diesel Engines

## SALES PERFORMANCE

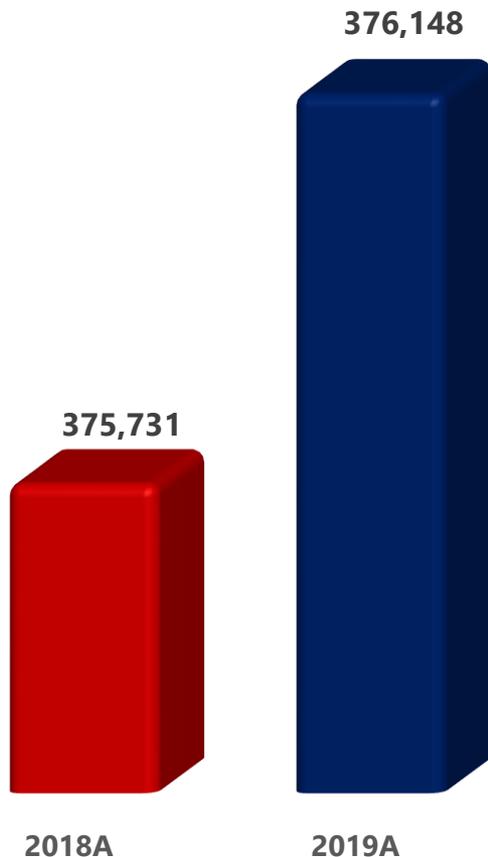
国际玉柴



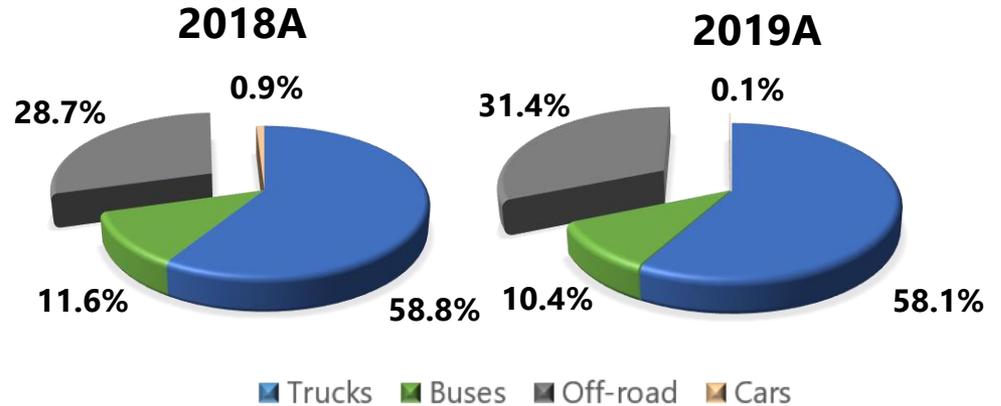
# Sales Mix

Unit sales rose marginally with weaker domestic demand on-road CV more than compensated by higher exports & sales of off-road engines

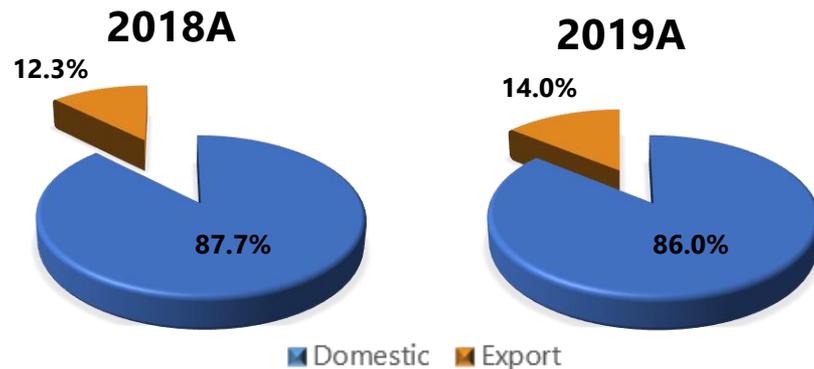
## Unit Sales



## Sales Mix



## Local Sales vs Export Sales (included packaged sales)



Note : A refers to Actual

# Diesel Engines

## INVESTMENT UPDATES



# Investment Updates

Yuchai continued investments into technological improvements, marketing, supply chain self-reliance and process improvements enhance its competitiveness

**N6/T4 Investments  
(RMB1.3b)**



**Large Casting Foundry  
(RMB 250m)**



**Phase 2 component parts  
production facility  
(RMB 150m)**



# Investment Updates

Yuchai continued investments into technological improvements, marketing, supply chain self-reliance and process improvements enhance its competitiveness

**Eberspaecher  
(RMB 120m)**



**SAP Project  
(RMB85m)**



SAP Cloud Platform



SAP Concur 

**MTU localization  
program capex  
(RMB72m)**

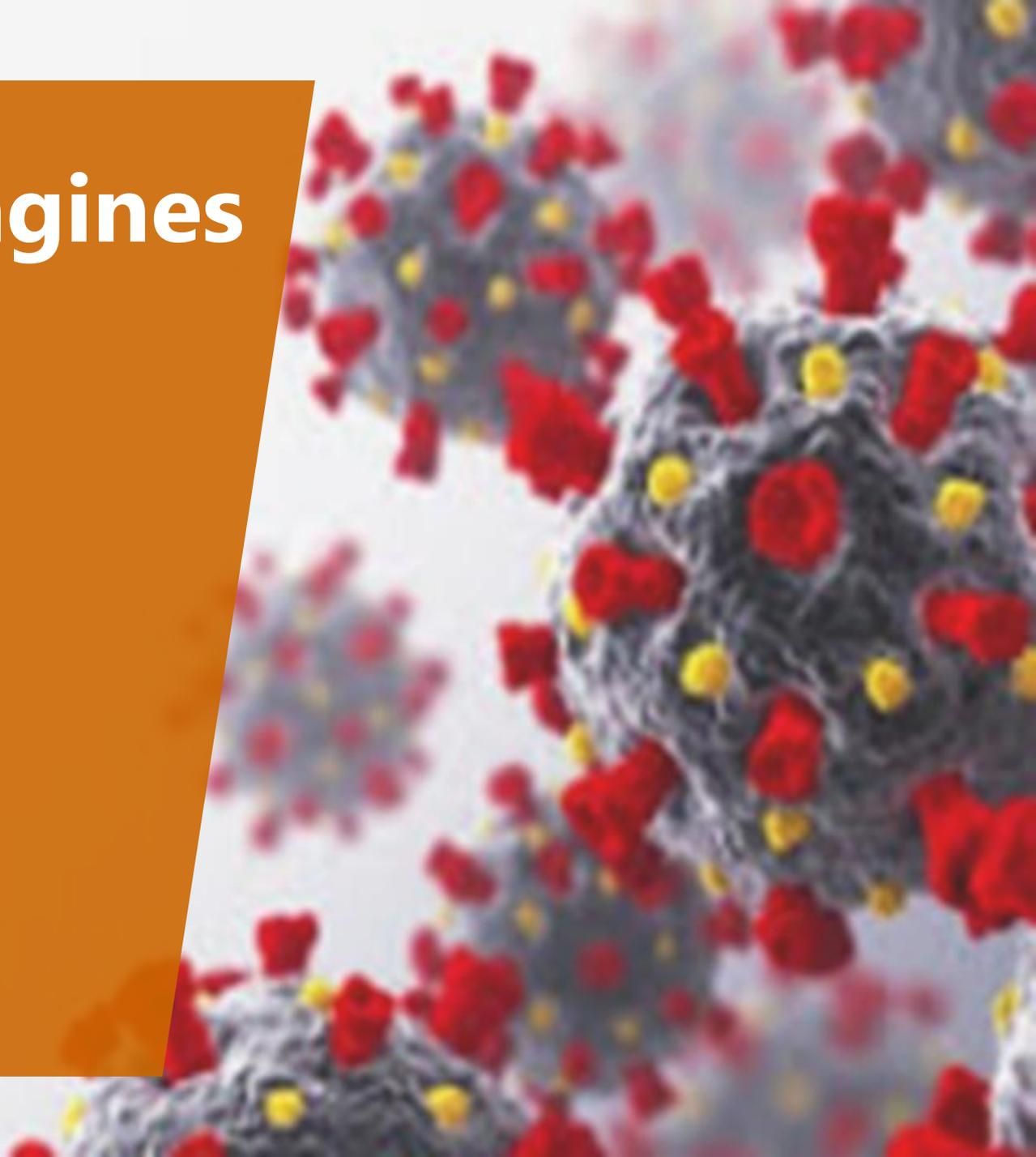


**Yuchai Power  
showroom  
(RMB19m)**



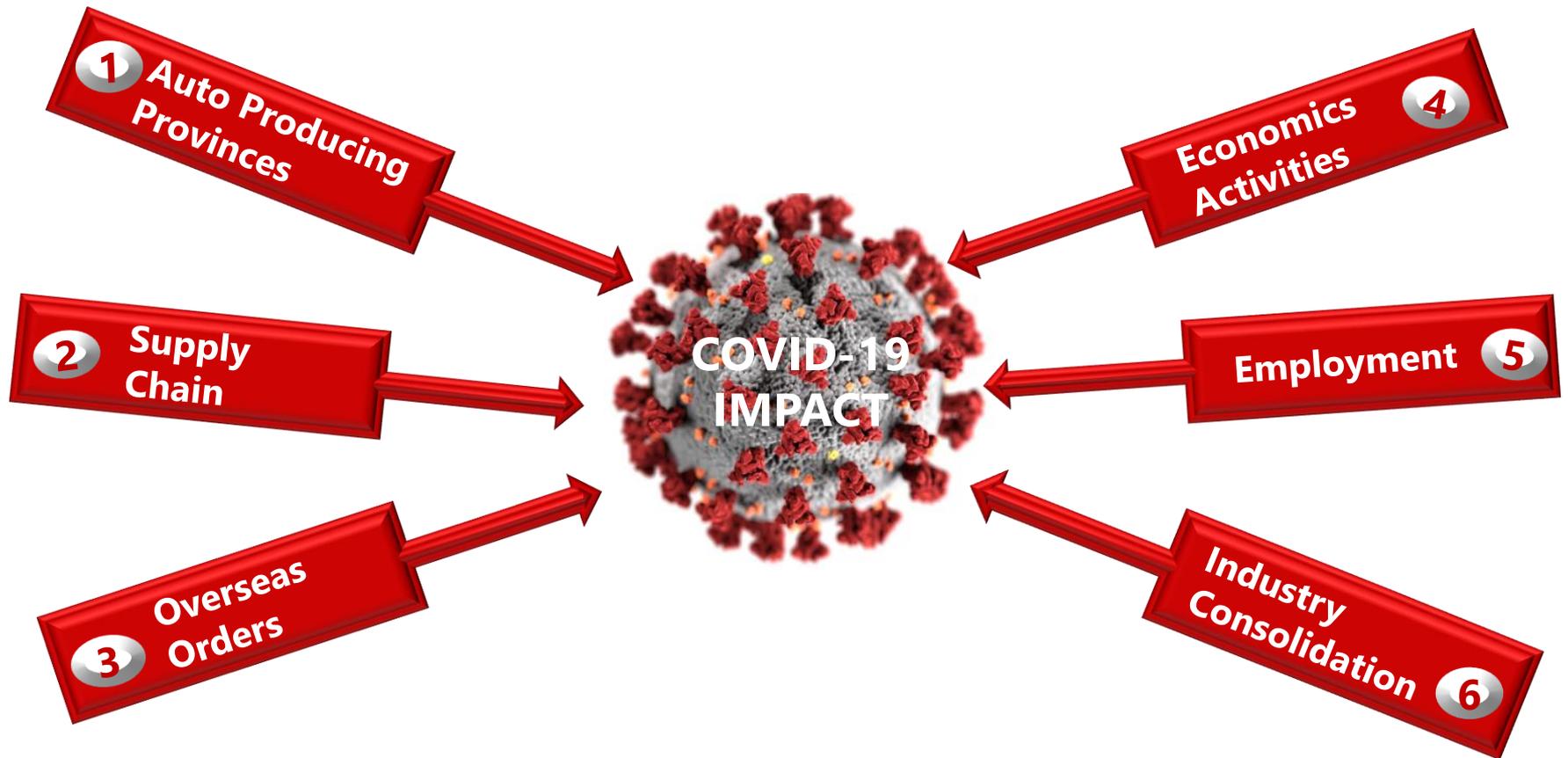
# Diesel Engines

## IMPACT OF COVID-19



# Impact of COVID-19

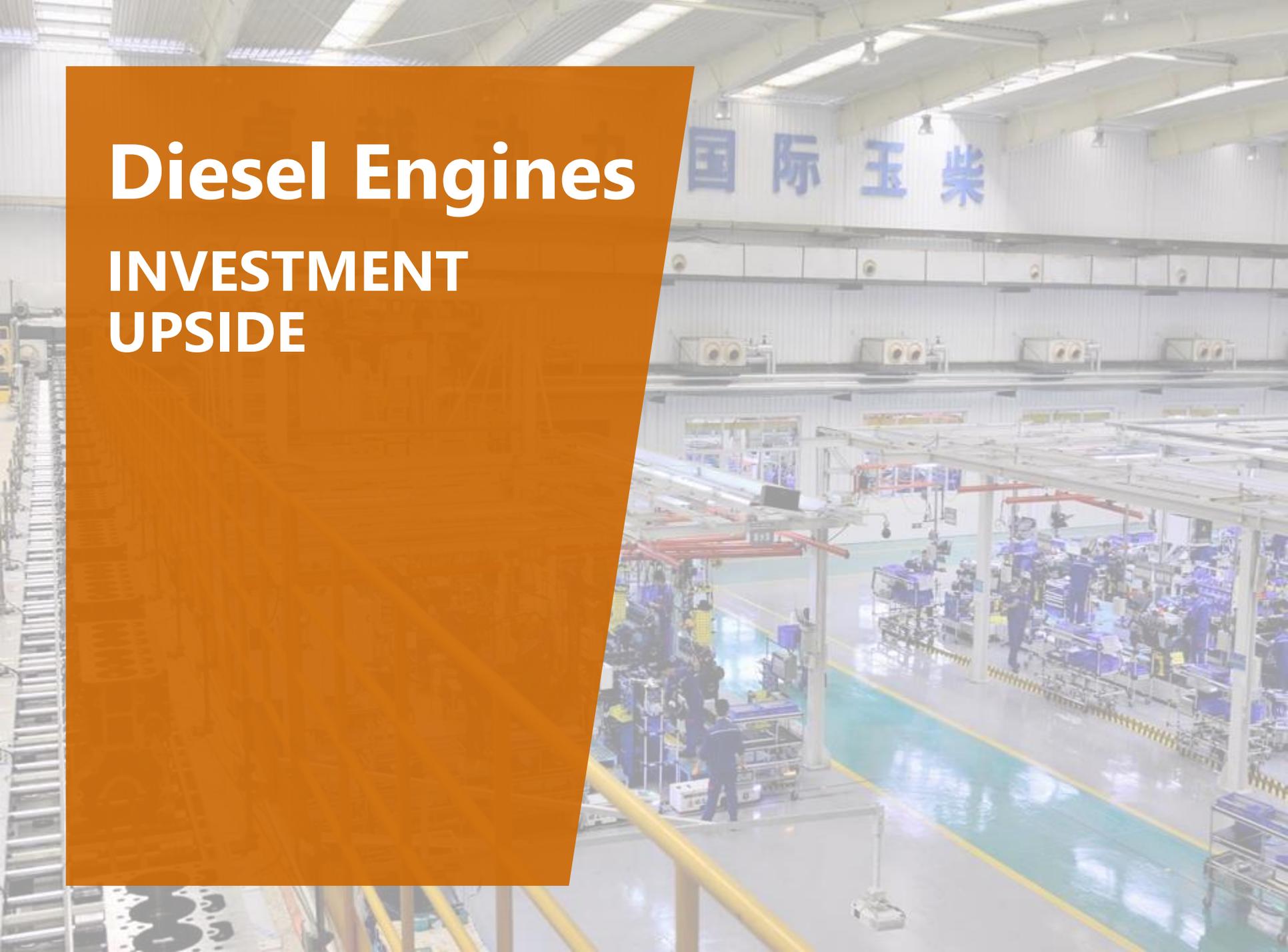
COVID-19 caused production stoppage which affected China's major auto manufacturing auto hubs badly & led to severe financial impact to nearly all economic sectors



# Diesel Engines

INVESTMENT  
UPSIDE

国际玉柴

A wide-angle, high-angle photograph of a large industrial factory floor. The floor is polished and reflects the overhead lights. In the foreground, a green-painted aisle with yellow safety lines runs through the center. Several workers in blue uniforms are visible, some standing near workstations and others moving. The background shows a long, well-lit production area with various pieces of machinery, including what appear to be engine components on assembly lines. The ceiling is high with numerous fluorescent light fixtures. On the upper wall, the Chinese characters "国际玉柴" (International Yuchai) are displayed in large blue font.

# Investment Upside

With its extended product range and its readiness for change in emission standard, Yuchai is well placed to compete & be amongst the market leaders in the diesel engine industry



Extended product range from LD to HD engines serving various industry sectors



Emission standard product readiness & strong pipeline of new products



Increased enforcement on over loading



Accelerated growth of e-commerce

# Investment Upside

With its extended product range and its readiness for change in emission standard, Yuchai is well placed to compete & be amongst the market leaders in the diesel engine industry

**Extended product range from LD to HD engines serving various industry sectors**

**Truck and Bus engines applications**



**Off road and Agriculture applications**



**Marine engines applications**



# Investment Upside

With its extended product range and its readiness for change in emission standard, Yuchai is well placed to compete & be amongst the market leaders in the diesel engine industry

**National IV & Tier 4 readiness & strong pipeline of new products**

## eCVT Hybrid



**Integrated generator-motor power system (Range Extender)**



## YC Fuel Cell system



## LD and MD National 6 Engines



## MD and HD National 6 Engines



## HHP Marine and Power Generation Engines



# Investment Upside

With its extended product range and its readiness for change in emission standard, Yuchai is well placed to compete & be amongst the market leaders in the diesel engine industry

Increased enforcement means more commercial vehicles needed to meet the same volume of business



# Investment Upside

With its extended product range and its readiness for change in emission standard, Yuchai is well placed to compete & be amongst the market leaders in the diesel engine industry

e-Commerce will drive demand for trucks, which engines made up almost 60% of Yuchai's total sales



# Building Materials Unit



# Building Materials Unit

**BUSINESS  
ENVIRONMENT**



# Business Environment

While construction demand hit a 5-year high in Singapore with a 9.5% YoY growth to reach S\$33.4 billion in 2019, it stagnated in Malaysia with a mere 0.6% YoY growth to reach RM146.6 billion

## Singapore

**Dominant Public Sector**

**HDB Income Ceiling Relaxation**

**Excess Capacity**

**Raw Materials Supplies**

**Raw Materials Prices (NTS)**

**TOL Land**

**Manpower**

## Malaysia

**Dominant Private Sector**

**Fiscal Space**

**Property Overhang**

**Cement Prices**

**Manufacturers' concentration**

**SHE Enforcements**

**Manpower**

# Building Materials Unit

## SALES PERFORMANCE



# Strong Order Books

Singapore has strong order books in both precast and ready-mix & Malaysia has a strong order book for its ready-mix

(in months of capacity)

<b>Singapore</b>	<b>31 Dec 2018</b>	<b>30 Jun 2019</b>	<b>31 Dec 2019</b>
<b>Precast</b>	<b>12</b>	<b>22</b>	<b>21</b>
<b>Ready-mix</b>	<b>10</b>	<b>9</b>	<b>14</b>
<b>Malaysia</b>	<b>31 Dec 2018</b>	<b>30 Jun 2019</b>	<b>31 Dec 2019</b>
<b>Ready-mix</b>	<b>10</b>	<b>9</b>	<b>7</b>

1. These are approximate figures as deliveries of our products are not evenly distributed each month
2. Malaysia only supplies ready-mix to the central region

# Building Materials Unit

PROJECT  
UPDATES



# Project Updates

**ICPH: Our share of total land & construction cost expected to be in the region of S\$80+ million with construction expected to be completed by 1Q2022 and be operationally ready by 2Q2022**



**Integrated  
Construction  
Prefabrication  
Hub**



# Project Updates

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**Karimun Quarry: Purchase consideration of S\$13 million before capex and working capital requirement. At full capacity, quarry can produce up to 350k mt per month**

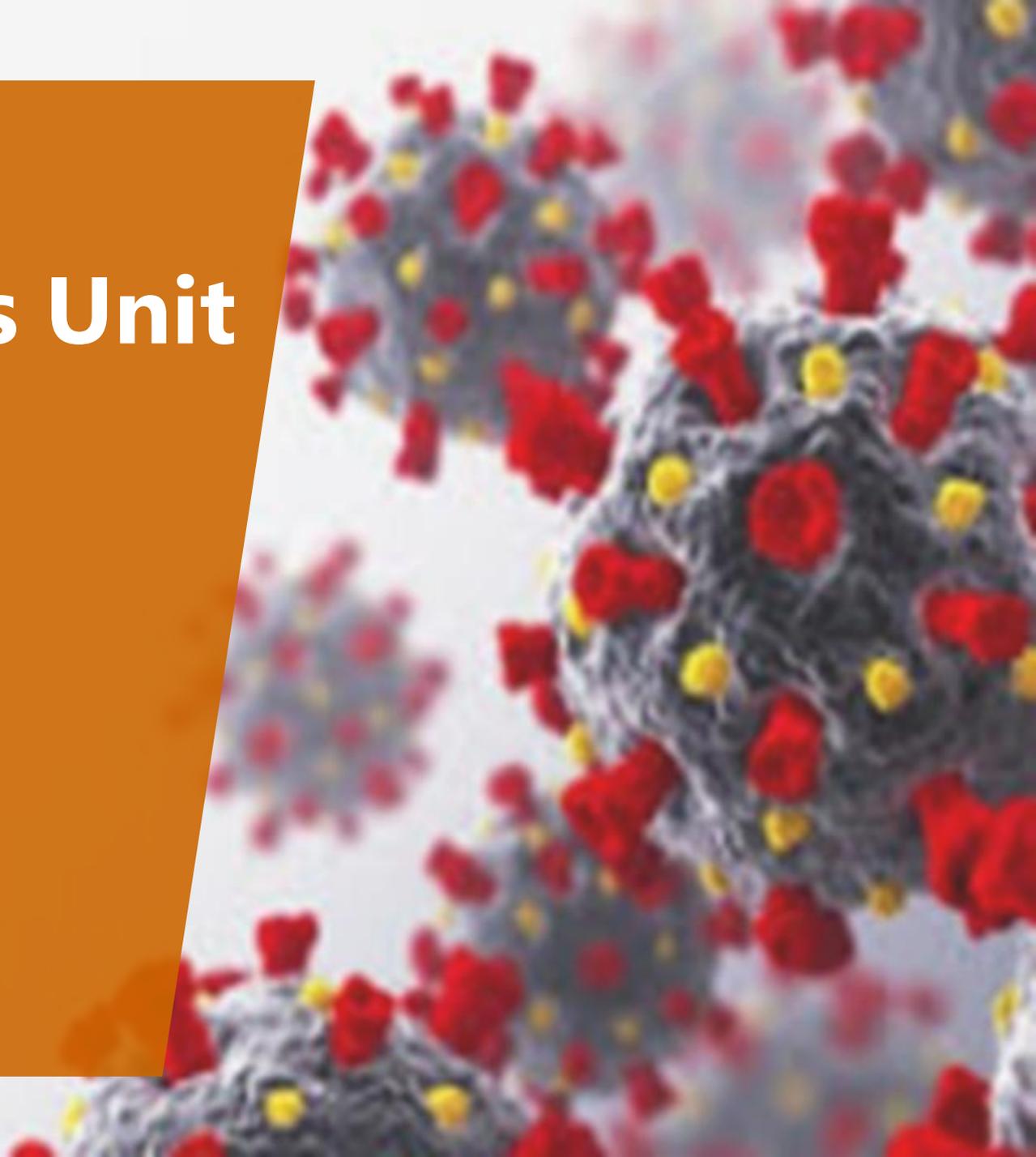


**Karimun  
Quarry**



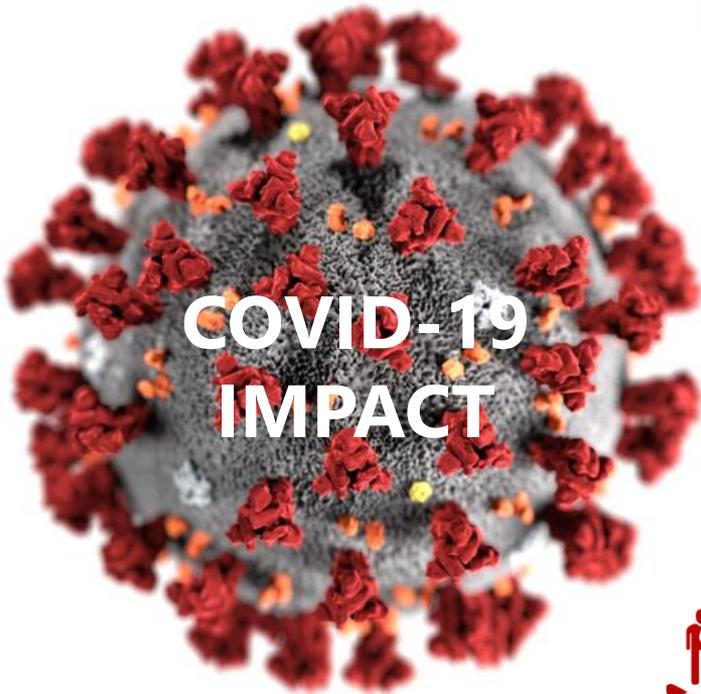
# Building Materials Unit

IMPACT OF  
COVID-19



# Impact of COVID-19

Construction activities were halted in Malaysia from 18 Mar and in Singapore from 7 Apr, both which just re-commenced recently and these caused sales to plunge to near zero revenue, with continued operating overheads



**Plants stoppage**



**Continued operating costs**



**FW living cost support**



**New SOPs**



**Manpower shortage**



**Credit deterioration**

# Building Materials Unit

INVESTMENT  
UPSIDE



# Investment Upside

With a reputation of being a reliable supplier of consistently good quality building materials, the Group is well placed to capitalise on any surge in the Singapore & Malaysian construction industry



Leadership roles with high market shares



Strong order books



Extensive market coverage in Spore & in Northern & Central Peninsula Malaysia



Good upstream integration with strong support from JV partners

# Investment Upside

With a reputation of being a reliable supplier of consistently good quality building materials, the Group is well placed to capitalise on any surge in the Singapore & Malaysian construction industry

**Precast, Ready-mix & Cement business units are ranked in the top 3 in Singapore & Malaysian cement plant has consistently outpaced industry's growth rates**



# Investment Upside

With a reputation of being a reliable supplier of consistently good quality building materials, the Group is well placed to capitalise on any surge in the Singapore & Malaysian construction industry

Resilient business with strong order books

(in months of capacity)

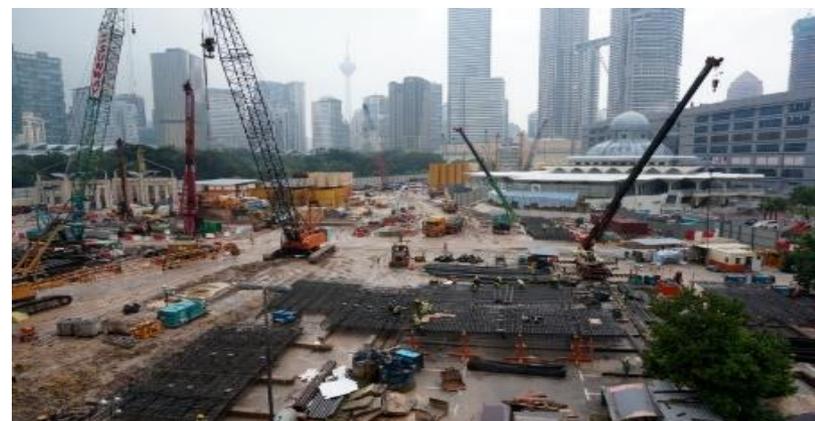
Singapore	31 Dec 2018	30 Jun 2019	31 Dec 2019
Precast	12	22	21
Ready-mix	10	9	14
Malaysia	31 Dec 2018	30 Jun 2019	31 Dec 2019
Ready-mix	10	9	7



# Investment Upside

With a reputation of being a reliable supplier of consistently good quality building materials, the Group is well placed to capitalise on any surge in the Singapore & Malaysian construction industry

Plants are well located in Singapore. Malaysia batching plants located @ high growth central region & integrated cement plant located in the northern region



# Investment Upside

With a reputation of being a reliable supplier of consistently good quality building materials, the Group is well placed to capitalise on any surge in the Singapore & Malaysian construction industry

Upstream integration & strong JV partnership provide ready supply sources of cement & aggregates



# Other Business Units

## REX



## Airwell



# Business Environment

The economic slowdown & shifts of factories away from China dampened demand & affected sales of consumer & industrial goods; Soft resin prices a positive development



Slowdown in economic growth creating uncertainty and led to soft consumer demand

01

US-China trade tensions causing relocation of factories from China to other countries

02

Rising enforcements on SHE and requirements to strengthen SHE in factories

03

Staff attrition from unskilled labour

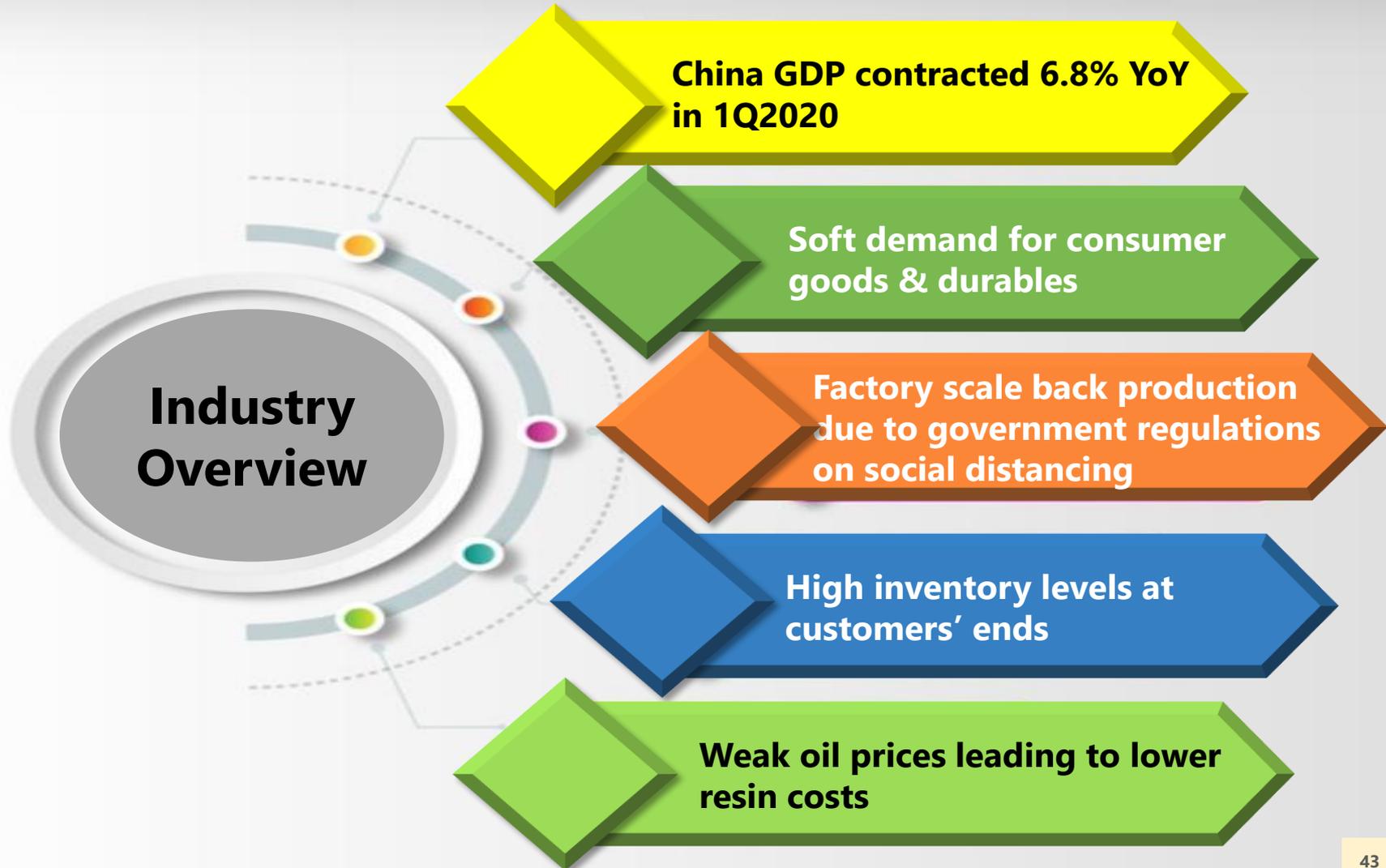
04

Softness in resin prices seen recently

05

# Industry Overview

The COVID-19 lockdown & slow economy led to lower disposable income & impacted demand for rigid plastic packaging products



# Products and Customers

Good product range and well-known customer base



# Other Business Units

IMPACT OF  
COVID-19



# Impact of COVID-19

Due to COVID-19 which caused even more tension between the US and China, consumer demand is likely to be dampened which will affect demand for rigid plastic packaging products & consumer durables



**Softness in  
consumer  
demand**



**Supply  
chain  
disruptions**



**Increased  
cost of  
operations**



**Lack of  
workers**

# SUSTAINABILITY INITIATIVES



BCF 14715

# Sustainability Initiatives

Sustainability remained a key focus of the Group, centred on 4 core areas

## Community Engagement

1. Cement donation
2. Scholarships



## Health and Safety

1. Certification
2. Zero reportable incidents



## Carbon Emissions

1. Energy consumption
2. Solar energy
3. Awards
4. Dust Control



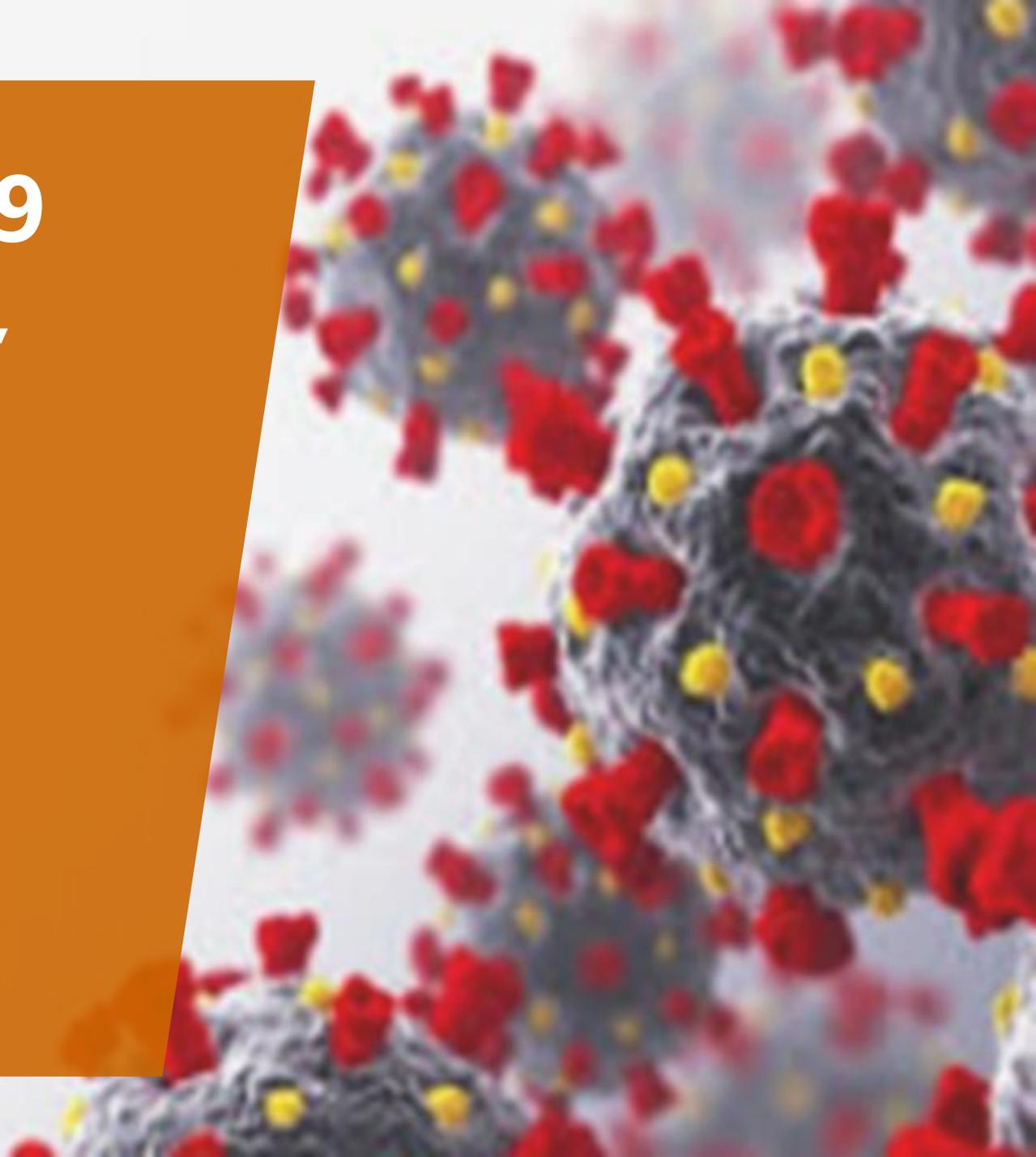
## Alternative Raw Materials

1. Increased usage
2. Adopted guidelines



# COVID-19

## EMPLOYEES' SAFETY MEASURES



# Actions on COVID-19

The Group takes seriously the well-being of its employees and have instituted various measures arising from COVID-19 pandemic

Health  
&  
Safety



**Masks**



**Hand sanitisers**



**Disinfectants for personal devices & work desk**



**General disinfecting exercise for work areas**



**Temperature taking**



**SafeEntry**



**WFH / Separation of work teams**



**Travel bans – video/audio conferencing**



**BCP**



# THANK YOU

**HONG LEONG ASIA LTD**

16 Raffles Quay #26-00 Hong Leong Building Singapore 048581

T: +65 6322 6220

F: +65 6220 8411

[www.hlasia.com.sg](http://www.hlasia.com.sg)