

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 06:58:20

Status

Replacement

Announcement Reference

SG200527MEETD3B6

Submitted By (Co./ Ind. Name)

REPL::ANNUAL GENERAL MEETING::VOLUNTARY

Designation

Company Secretary

Financial Year End

31-Dec-2019

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached announcement for responses to substantial and relevant questions received from a shareholder in advance of the Company's 59th AGM to be held today, 18 June 2020 at 10.00 a.m.

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

[HLA%20-%20Response%20to%20Shareholder%20Qns.pdf](#)

Total size = 110K MB

Related Announcements

[Related Announcements](#)

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

HONG LEONG ASIA LTD.

(Company Registration No. 196300306G)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING (“AGM”) TO BE HELD ON 18 JUNE 2020 RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Hong Leong Asia Ltd. (“**HLA**” or the “**Company**”) refers to its announcement of 27 May 2020 on the alternative arrangements for the AGM, and in particular to the invitation to shareholders to submit questions in advance of the AGM.

The Company has received questions from one shareholder and would like to thank the shareholder for the same. The Company’s responses to the questions received that are relevant to the AGM resolutions and the business of the Company are set out below.

No.	Question	Response
1.	This year was supposed to be a very good year for the construction industry. Has HLA resumed business activities to 100% for Malaysia and Singapore? If not, when is it likely?	<p>Please refer to page 7 of the Chairman’s Message in our Annual Report 2019 which made reference to the impact from the measures imposed under the Circuit Breaker in Singapore and the Movement Control Order in Malaysia on the business of our Building Materials Unit in these countries.</p> <p>Prior to the onset of the COVID-19 pandemic, the Singapore Building & Construction Authority had on 8 January 2020 stated that total construction demand was expected to range between \$28 billion and \$33 billion in 2020, However, the Singapore Ministry of Trade & Industry (“MTI”) had on 26 May 2020 announced that the construction sector had contracted by 4.0 per cent year-on-year, a reversal from the 4.3 per cent expansion in the previous quarter. In the same media release, MTI also stated that on a quarter-to-quarter seasonally adjusted annualized basis, the sector contracted by 21.8 per cent, a significant turnaround from the 5.3 per cent growth in the fourth quarter of 2019. In addition, the construction sector in Singapore has been adversely affected by manpower shortages due to the outbreak of infections among foreign workers, especially those living in the dormitories.</p> <p>The Department of Statistics, Malaysia, had on 12 May 2020, posted on its official website that the value of construction work done in the first quarter of 2020 contracted by 6.3 per cent on a year-on-year basis.</p>

		<p>Given the current situation with economic uncertainty and business and supply chain disruptions due to the escalation of the COVID-19 outbreak worldwide, which gave rise to constraints (including availability of workers when needed) and uncertainty, it would be difficult for us to advise when the construction sectors in Singapore and Malaysia are likely to resume 100 per cent of their activity levels.</p>
<p>2.</p>	<p>Any updates on M&A (merger and acquisition) plans to buy other concrete/cement players in Singapore/Malaysia? Are there candidates identified? How is the technology push for our cement operations? I'm impressed with Pan-United command center. Could you look at similar technologies?</p>	<p>As and when we have any updates on M&A activities, we will announce via SGXNET to inform all shareholders.</p> <p>The cement market in Singapore is predominately a bulk market with the majority of imports flowing into ready-mix concrete operations (“RMC”). As most RMCs have their own in-house cement supply, sales of cement to independent RMCs operations are minimal.</p> <p>Our cement operation is highly automated and had the second largest cement throughput of 1.15 million tons in 2019, serving almost entirely our RMC operation.</p> <p>While we are not in a position to comment on the use of technology of other cement players in Singapore, we wish to advise that our RMC operation has its own command centre (“CCC”). Commissioned in July 2017, our CCC’s main focus is to streamline ‘order to delivery’ process. It has provided customers with a very convenient one stop contact point for their daily orders. Equipped with CCTVs strategically located at all our batching plants and with real time GPS tracking on more than 200 delivery trucks operating each day, the CCC is the nerve center of our daily operations, optimizing resources on a real time basis. Our plants have been operating at high capacity prior to the imposition of measures under Circuit Breaker.</p> <p>We will continue to evaluate the use of technology in all our business units to improve efficiencies including productivity and effectiveness of our operations, and our Building Materials Unit is no exception.</p>

3.	For Yuchai, it has been undervalued and under-noticed in NYSE (New York Stock Exchange) compared to its peers in Hong Kong Exchange. Can the management consider possible delisting since many Chinese companies are taking steps to delist from US and seek IPO in Hong Kong Exchange.	We will continue to look at various options to enhance the value of our businesses and we will make the relevant announcement to update shareholders via SGXNET as and when appropriate.
4.	Also on Yuchai, my comment is that it is such a cyclical and capital R&D (research and development) intensive business and given your long standing relationships with the Chinese partners, would the Company consider selling Yuchai?	We will continue to look at various options to enhance the value of our businesses and we will make the relevant announcement to update shareholders via SGXNET as and when appropriate.
5.	Any plans to sell REX and Airwell, both have been losing money for many years?	Please refer to page 6 of the Chairman's Message of our Annual Report 2019 wherein it was stated that the Group is exploring various options on the future direction of Rex and Airwell. As and when these options materialize, we will make the relevant announcements to update shareholders via SGXNET.
6.	What if the delisting plans for Tasek Corporation Berhad fails? Can the Company elaborate why it is seeking to delist it again for a second time?	As at 17 June 2020, we have already secured more than 90% of the ordinary shares (excluding treasury shares) of Tasek. The reasons for this acquisition exercise were stated in the offer document which we sent to the shareholders of Tasek on 2 June 2020, viz., (a) dispensation of compliance costs associated with the listing status of Tasek and (b) to allow flexibility to implement measures to streamline and improve the operational efficiency of Tasek.
7.	Thank you for restoring dividends this year and for your hard work. Hong Leong is an established business in Singapore, I hope the company can continue to distribute dividends for shareholders every year.	We thank you for being a shareholder of the Company. We will continue to work hard and strive to grow the businesses of the Group.

By Order of the Board
HONG LEONG ASIA LTD.

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

18 June 2020