



亞洲聯合基建控股有限公司

ASIA ALLIED INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)
(Stock Code: 00711.HK)

[For Immediate Release]

ASIA ALLIED INFRASTRUCTURE ANNOUNCES 2021/22 ANNUAL RESULTS

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TURNAROUND WITH NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS AT HK\$122 MILLION

FOCUS ON ADVANCED BUILDING TECHNOLOGIES AND CAPTURING MARKET OPPORTUNITIES

Highlights

- Revenue increased by 2.5% to HK\$7.72 billion
- Turnaround with net profit attributable to Shareholders amount to HK\$122 million
- Proposed a final dividend of HK1.10 cents per share, with a total of HK1.98 cents per share for the Year
- Focus on advanced building technologies to capture the ‘Construction 2.0’ initiative’ opportunities

(Hong Kong, 28 June 2022) — **Asia Allied Infrastructure Holdings Limited** (“**Asia Allied Infrastructure**” or the “**Group**”) (stock code: 00711.HK) announced its annual results for the year ended 31 March 2022 (the “Year”).

The Group’s overall financial performance has remained stable during the Year, with total revenue up by 2.5% at HK\$7.72 billion. Net profit attributable to shareholders was HK\$122.0 million. The turnaround was due to the one-off provision for compensation of HK\$272 million for legal litigation for the year ended 31 March 2021, which was settled and part of the provision was reversed during the Year. The results reflected a testimony to the Group’s long-term strategy and the management’s agility during such challenging times. With healthy cash flow and sound financial position, the Board has proposed a final dividend of HK1.10 cents per share. Taking into account the interim dividend of HK0.88 cent per share, the total dividend for the Year will be HK1.98 cents per share.

Mr. Dominic Pang, Chairman of Asia Allied Infrastructure, said, “The challenging business conditions, which were, in part, caused by Covid-19 and the global logistics disruption, created obstacles for many industries. The situation worsened in early 2022, triggered by a rise in Covid-19 infections in Hong Kong coupled with uncertainty in the macroeconomic environment and anticipated interest rate rises, all of which contributed to weak investment sentiment. However, with the supportive policies of the Hong Kong Government, including continuous investment in infrastructure, the Group has been able to maintain stable overall results and has a positive outlook for prospects. The Group will pay close attention to relevant opportunities going forward.”

Construction

The construction segment, which operates under the “Chun Wo” brand, recorded a revenue of HK\$6.72 billion and a segmental profit of HK\$41.2 million during the Year. The Group possessed contracts with an aggregate value of HK\$30.05 billion at the end of the Year, HK\$15.82 billion of which were ongoing contracts.

During the Year, the Group has successfully secured 30 new projects, including the Urban Renewal Authority's residential development project at Ash Street, Tai Kok Tsui - one of the first concrete modular integrated construction ("MiC") high-rise residential projects in Hong Kong. Other projects include the construction of a primary school at Anderson Road, Kwun Tong, the Main Contract for the Multi-Level Carpark and Footbridge and the Direct Contract for Alteration and Addition Works at the Hub Area for the Members' Main Entrance Redevelopment and Multi-Level Carpark at Shatin Racecourse for The Hong Kong Jockey Club.

As at 31 March 2022, the Group's construction segment was engaged in 70 ongoing projects, notable projects including In-situ Reprovisioning of Shatin Water Treatment Works (South Works) – Water Treatment Works and Ancillary Facilities; and Site Formation and Foundation Works for Campus Expansion at Ho Man Tin Slope for The Hong Kong Polytechnic University.

The Government has recently set aside 350 hectares of land for the construction of approximately 333,000 public housing units and expected an average of 19,000 private residential units to be completed annually in the next five years. Moreover, the promotion of the use of innovative and advanced technologies, such as MiC, in construction to improve efficiency and shorten the building cycle, has created opportunities for high-quality enterprises. Having made investments in this area, the Group is able to handle projects that require advanced technical skills and technologies, and will be able to seize the opportunities that arise from public works projects with such requirements going forward.

Property Development and Assets Leasing

The property development and assets leasing segment contributed a segment profit of HK\$185.8 million for the Year.

During the Year, the Group continued to focus its efforts within the Hong Kong market. The sales activity at "128 Waterloo", a premium residential property development located on Waterloo Road, Ho Man Tin, continued throughout the Year and received an occupation permit in November 2021. The sales of "SOYO", the hybrid residential and retail building located in Soy Street, Mongkok, has commenced and received favourable market response in the second half of the fiscal year. Besides, the Group has also engaged in a joint venture group, in which the Group owns 40% equity interest, that acquired a residential site with retail shops located at 437-441 Castle Peak Road in Cheung Sha Wan. While in PRC, the disposal of 51% interest in the commercial development project at Shijiazhuang in Hebei Province, was completed.

Professional Services

The professional services segment which provides security, tunnel and other facility management services has recorded segmental revenue of HK\$963.8 million and profit of HK\$53.7 million. Core segment profit increased by 14% year-on-year if one-off subsidies were excluded. The security and facility management business secured several prominent clients during the Year, including The Hong Kong Jockey Club, Hong Kong Palace Museum and Hong Kong Customs and Excise Department. In particular, the property management division developed a new income stream during the Year through the provision of catering services in the Customs Headquarters Building.

The tunnel management operation, meanwhile, has continued to make steady contributions to the Group's overall performance, with management contracts for six tunnels in Hong Kong, namely the Cross-Harbour Tunnel, the Shing Mun Tunnels, the Tseung Kwan O Tunnel, the Kai Tak Tunnel, the Lion Rock Tunnel and the Central-Wan Chai Bypass Tunnel.

Non-Franchised Bus Services

The non-franchised bus services segment has continued to provide stable contributions to the Group. During the Year, the operation contributed HK\$2.7 million in segment profit. Despite the ongoing border closures, the Group continued to focus on the provision of scheduled services, such as shuttle bus services for employees, residents and students, and secured and maintained sizeable contracts with various

renowned organisations, institutions and property management companies, including a new contract with a prestigious international school. Though the shuttle bus service was affected by school closures in the first quarter of 2022, it has since resumed operation following their recent reopening.

Medical Technology and Healthcare

Hong Kong Cyclotron Laboratories Limited (“HKCL”), acquired by the Group in late 2020, specialises in the research and development and production of positron emission tomography (“PET”) radiopharmaceuticals and operates one of the largest PET radiopharmacy distribution networks in Hong Kong. During the Year, HKCL has enjoyed a smooth integration into the Group and has performed well, with a revenue of HK\$37.1 million and a profit of HK\$12.9 million. In addition to the Hospital Authority, which is an ongoing major client, the business secured several new clients during the Year, including CUHK Medical Centre and a few private imaging centres.

Outlook and Prospects

With the pandemic subsiding, the management is confident that the Hong Kong economy will gradually recover in 2022. Moving forward, the Group will focus on further developing its core businesses and at the same time seek new opportunities that will help shape a better future and facilitate sustainable development, such as those pertaining to medical technology and environmental conservation. The management will also maintain its commitment to improving operational efficiency and consolidating the Group’s strong industry position, while ensuring it is well prepared to grasp opportunities arising from the recovery of the market.

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Asia Allied Infrastructure Holdings Limited (stock code: 00711.HK)

Asia Allied Infrastructure Holdings Limited (“Asia Allied Infrastructure”) is listed on the Main Board of the Hong Kong Stock Exchange under stock code 00711. The Group operates businesses such as construction engineering and management, property development and assets leasing, security and facility management, tunnel management, non-franchised bus services, as well as medical technology and healthcare. Its subsidiary “Chun Wo” is a renowned construction contractor and property developer in Hong Kong. Chun Wo’s solid construction experience and professional capabilities have enabled the Group to seize suitable development opportunities, allowing the Group to enhance its overall profitability and investment value.

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