



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 2022/23 ANNUAL RESULTS

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STEADY GROWTH ACHIEVED DESPITE CHALLENGING ENVIRONMENT BRIGHT PROSPECTS FOR THE DEVELOPMENT OF THE CONSTRUCTION SECTOR

Highlights

- Revenue increased by 6% to HK\$8.18 billion
- Profit for the Year amounted to HK\$129 million
- Proposed a final dividend of HK1.05 cents per share, with a total of HK1.72 cents per share for the Year
- Capitalise on opportunities presented by the infrastructure projects, coupled with ongoing economic recovery in the post-pandemic

(Hong Kong, 27 June 2023) — **Asia Allied Infrastructure Holdings Limited** (“AAI” or the “Group”) (stock code: 00711.HK) announces its annual results for the year ended 31 March 2023 (the “Year”).

Though the business environment has remained challenging during the Year, the Group continued performing stably with revenue of approximately HK\$8.18 billion, representing an increase of 6%. To overcome the challenges of increased financing and operating costs, the management employed effective financing and capital management strategies. As a result, the Group was able to navigate through these difficult conditions and generate a net profit for the year of approximately HK\$129 million, demonstrating the effectiveness of the management's strategies in maintaining stable performance. With healthy financial position and cash flow, the Board has proposed a final dividend of HK1.05 cents per share. Taking into account the interim dividend of HK0.67 cent per share, the total dividend for the Year will be HK1.72 cents per share.

Mr. Dominic Pang, Chairman of AAI, said, “The operating environment remained challenging due to political and economic uncertainties impacting the world, as well as high operating and financing costs locally. However, the Group has remained resilient and has continued to perform reasonably well. In the post-pandemic, the Hong Kong economy has commenced a gradual recovery, and the Group remains cautiously optimistic about future business prospects.”

Construction

The construction segment, which operates under the renowned “Chun Wo” brand, generated HK\$7.19 billion in revenue for the Year. Having experienced an improvement in profit in the second half year, segment profit amounted to HK\$180.2 million. As at the financial year end, the Group held contracts with

an aggregate value of HK\$30.31 billion, with HK\$17.64 billion being ongoing contracts, compared with the total value of ongoing contracts of HK\$15.82 billion in the last year, it increased by HK\$1.82 billion.

The Group has successfully secured 15 new projects during the Year, including a waterworks contract related to the Relocation of Diamond Hill Fresh Water and Salt Water Service Reservoirs to Caverns, which it won in partnership with a state-owned enterprise. In addition, the Group was awarded contracts involving Sau Nga Road Stormwater Storage Scheme, Penfold Park Enhancement Project of The Hong Kong Jockey Club, two maintenance term contracts by Education Bureau and other new projects.

As at 31 March 2023, the Group's construction segment was engaged in 33 ongoing projects, notable projects including an Urban Renewal Authority composite development project at Ash Street, Tai Kok Tsui, Kowloon – the first concrete Modular Integrated Construction (“MiC”) high-rise residential projects in Hong Kong; a primary school at Anderson Road, Kwun Tong; In-situ Reprovisioning of Shatin Water Treatment Works (South Works) – Administration Building; Hong Kong Disneyland Resort Project – Arendelle Completion Package and other projects.

Looking ahead, Government's support for infrastructure investments, public housing, and technologies will benefit the sector and the Group. AAI will promote the application of relevant technologies and meet the highest international standards, help accelerate the industry's advancement. AAI is well-positioned to capitalise on opportunities presented by such supportive policies.

Property Development and Assets Leasing

The property development and assets leasing segment has rebounded in the Year as compared with the same period last year. The performance reflects the generally cautious sentiment of buyers amid a high interest rate environment, compounded by macroeconomic uncertainties act with prudence. Still, the Group's property development projects were able to outperform other projects in the vicinity.

Moving forward, the Group will take a wait-and-see approach for the property development and assets leasing business; closely monitoring market developments and seizing opportunities when the market conditions stabilise, and leveraging joint ventures to further mitigate risk.

Professional Services

The professional services business is operated by City Services Group Limited and engages in security, tunnels and other facility management services. For the Year, the business recorded revenue of HK\$942.2 million and a segment profit of HK\$15.8 million. The Group maintained a healthy portfolio of clients during the Year, also added new clients, including Hong Kong Adventist Hospital and The Wai – a shopping mall located at Tai Wai Station.

The tunnel management operation, meanwhile, has continued to provide a stable source of revenue for the Group. The Group manages five tunnels in Hong Kong, including the Tseung Kwan O – Lam Tin Tunnel that commenced operation in December 2022.

Non-Franchised Bus Services

Performance of the non-franchised bus services operation improved during the Year, with increased tourism-related business following the reopening of borders with Mainland China in the second half of the

Year. This resulted in segment profit of HK\$5.7 million. With the reopening of borders, the Group will look forward to capturing opportunities from the revival of the tourism sector via its tourism-related bus services.

Medical Technology and Healthcare

Hong Kong Cyclotron Laboratories Limited (“HKCL”) achieved encouraging results with revenue of HK\$41.1 million and profit of HK\$9.6 million during the Year. HKCL specialises in the production of PET drugs and as a key supplier of fluorodeoxyglucose for hospitals and clinics in Hong Kong. The Group’s belief that PET drugs hold tremendous potential with rising demand in the coming years. HKCL has commenced construction of a second laboratory, which is expected to be completed in the end of 2023. Through the bolstered capabilities of HKCL, the Group will be well positioned to seize relevant opportunities as they emerge.

Other Business

The online building materials procurement and management platform, which is operated by Mattex Asia Development Limited, continued to achieve progress during the Year. Contractors have been able to procure materials even more quickly, efficiently and cost effectively through streamlined steps and competitive prices offered through the platform. The business has also allowed the Group to diversify its interests and enrich income streams.

Outlook and Prospects

In the post-pandemic, the Hong Kong economy has commenced a gradual recovery. Urban planning and infrastructure projects will offer tremendous opportunities, such as major infrastructure projects of “Northern Metropolis Development Strategy” and “Kau Yi Chau Artificial Islands”. With the rich construction experience and expertise in building large-scale integrated infrastructure projects, AAI is well-positioned to win more public works projects, contributing to the sector’s growth and development. The Group is optimistic about Hong Kong's future and is committed to driving growth, delivering satisfactory returns, and creating long-term value for stakeholders.

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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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